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USSR Report

ECONOMIC AFFAIRS

LEAD ARTICLES IN MAJOR JOURNALS SPELL OUT PLAN GOALS



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[Translation of lead articles in following major journals: PLANOVYE KHOZYAYSTVO, MATERIALNO-TEKHNIKESKOYE SNABZHENIYE, EKONOMIKA STROITELSTVA, VESTNIK STATISTIKI, KHOZYAYSTVO I PRAVO, DENGI I KREDIT, and FINANCY SSSR]

CONTENTS

Plan Goals Defined in Major Journals Lead Articles.....	1
Plan for First Year of 12th Five-Year Plan	1
Entering the Year 1986	8
Builders in Beginning Year of Five-Year Plan	15
Statistical and Methodological Work, by I. Matyukha	25
Legal-Organizational Problems, by S. Mayevskiy	39
15-Year Goals, Editorial	46
State Budget, by V. V. Dementsev	60

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PLAN GOALS DEFINED IN MAJOR JOURNALS LEAD ARTICLES

Plan for First Year of 12th Five-Year Plan

Moscow PLANOVYE KHOZYAYSTVO in Russian No 1, Jan 86 pp 3-8

[Text] The fourth session of the 11th Convocation of the USSR Supreme Soviet approved the Law on the State Plan for the Economic and Social Development of the USSR in 1986--the first year of the 12th Five-Year Plan.

The Politburo of the CPSU Central Committee, when considering the draft of the plan, noted that the indicators envisioned in it in principle correspond to the party's strategic course toward acceleration of the country's socioeconomic development and the requirements of the drafts of the new edition of the party program and the Basic Directions for the Development of the National Economy During 1986-1990 and the Period Up to the Year 2000. The implementation of the plan for the first year of the 12th Five-Year Plan would be of special significance for change in the national economy over to the path of intensification and increasing the effectiveness of the socialist economy.

In his report at the session of the USSR Supreme Soviet, General Secretary of the CPSU Central Committee M. S. Gorbachev noted that the plan for 1986 has a number of special features. As early as the first year of the five-year plan an efficient rhythm must be set for the entire five-year plan. Proceeding from this the rates of the development of the national economy during 1986 are to be such that with a gradual increase in tempo in subsequent years they will provide for implementation of the assignments of the five-year plan as a whole.

The second peculiarity of the plan is that it was formed with maximum accounting for the need to accelerate scientific and technical progress. The plan includes first and foremost assignments for accelerating scientific and technical progress which were envisioned by decrees concerning development of the most important areas of science and technology and the various branches of the national economy. At the same time the existing fundamental tenets in planning have been largely revised. For the first time the plan envisions most important generalizing indicators for the scientific and technical progress of the branches and its effectiveness.

The next peculiarity of the plan for 1986 is its orientation toward a practical changeover to intensive methods of management. This is dictated by life itself and the difficult situation that has arisen with respect to labor and material resources as well as the basic exhaustion of extensive factors in the growth of the economy. In 1986 it will be necessary to ensure that the increase in production volumes will be provided to a maximum degree through economizing on resources.

The plan also envisions an extensive changeover to new methods of management that have proved to be worthwhile. Beginning in January 1986 industry will produce more than half of its products at enterprises that are operating under the new conditions.

At the session they summed up the results of the fulfillment of the State Plan for the Economic and Social Development of the USSR in 1985. It was noted that, as a result of the large amount of organizational work done by the party and government and the persistent labor of the Soviet people during the course of the all-union socialist competition for a worthy greeting for the 27th CPSU Congress, successes were achieved in the development of all branches of the economy, which contributed to better fulfillment of the assignments of the 11th Five-Year Plan. The actual growth rates of a number of the main indicators in 1985 will surpass the average annual rates under the 11th Five-Year Plan. The national income increased by 3.5 percent as compared to 3.2 percent, which was the average for the five-year plan, and industrial production--by 3.9 percent, while 3.7 percent was the average annual increase for the five-year plan as a whole.

In 1985 the work for accelerating the introduction of the achievements of science and technology into production became more active. Last year we assimilated the production of 4,200 new kinds of machines, equipment, instruments and materials. We also introduced about 500 progressive technological processes and means of mechanization and automation of production and expanded the utilization of reduced-waste and waste-free, energy- and material-saving technological processes and systems of machines. The effectiveness of production increased and its intensification accelerated. The country's production potential increased significantly as a result of the construction of new enterprises and the expansion, technical reequipment and reconstruction of existing ones. The material base of all kinds of transportation was further developed.

With respect to agriculture, the state of affairs improved in animal husbandry, cotton growing and a number of other branches of farming.

The positive changes in material production created prerequisites for the social development and improved material well-being of the workers. The real per capita income increased by 2.5 percent, the average monthly earnings of workers and employees--by 3.1 percent, wages of kolkhoz workers--by 2.9 percent, and per-capita payments and benefits from public consumption funds--by 3.5 percent. During 1985 alone we constructed residential buildings with an overall space of 113 million square meters, and during the entire five-year plan--more than 550 million square meters, which made it possible to improve housing conditions for approximately 50 million people.

Still, last year we did not completely fulfill assignments for developing a number of branches of industry and agriculture, increasing labor productivity and economizing on the basic kinds of material and technical resources. We did not manage to eliminate shortcomings in capital construction, the operation of individual kinds of transportation or the introduction of scientific and technical achievements. The changeover of the economy to basically intensive development is not being carried out as rapidly as is required by modern conditions.

The State Plan for Economic and Social Development in 1986 is directed toward carrying out the main tasks of the 12th Five-Year Plan, which consists in increasing the rates and effectiveness of the development of the economy on the basis of acceleration of scientific and technical progress, technical reequipment and reconstruction of production, intensive utilization of the production potential that has been created, improvement of the system of management and the economic mechanism and, on the basis of this, further improvement in the well-being of the people.

Above all, the plan for 1986 envisions rates of increase in the main indicators of the development of the economy that are higher than the average annual growth rates achieved under the 11th Five-Year Plan. Thus the national income used for consumption and accumulation is to increase by 3.8 percent as compared to 3.2 percent which was the average annual increase during 1981-1985, industrial output--by 4.3 percent as compared to 3.7 percent, respectively, cargo turnover on all kinds of transportation--3.6 percent as compared to 3 percent, and real per capita incomes--2.5 percent as compared to 2.1 percent.

Special attention is being devoted to expanding the scale of introduction of scientific and technical achievements as the basis for intensifying production and increasing its effectiveness. The plan includes more than 800 assignments for assimilating new kinds of products into production and more than 350 assignments for introducing progressive technological processes and means of mechanization and automation of production. Technological updating of production will be accelerated, resource-saving technologies such as continuous smelting of steel and the dry method of producing cement will be applied on a larger scale, petroleum will be processed more completely, and there will be expansion of comprehensive utilization of raw material, the use of diesel fuel and the application of compressed and liquefied natural gas in automotive transportation, and also industrial methods in agriculture and construction.

In order to raise the technical level of production, the plan envisions accelerating the updating of fixed capital and expanding the scale of technical reequipment and reconstruction of enterprises.

Indicators of effectiveness will improve on the basis of scientific and technical progress and improvement of the organization of production. Thus the productivity of public labor is to increase by 3.8 percent as compared to 3.2 percent, the average for 1981-1985, including in industry--by 4.1 percent as compared to 3.1 percent, in construction--by 3.5 percent as compared to 2.6

percent, and in rail transportation--by 4.1 percent as compared to 1.3 percent. In industry alone, through raising the technical level of production, it is intended to release conventionally 880,000 people, which is considerably more than during the last year of the 11th Five-Year Plan. The utilization of fixed production capital will improve in all branches of the national economy and the reduction of the labor-intensiveness and metal-intensiveness of public production will be accelerated.

In the 1986 plan more attention will be devoted to economizing on raw material and fuel-energy resources--the most important condition for increasing the effectiveness of production and balancing the needs of the national economy with the existing resources. Assignments for economizing on all kinds of resources have become more rigid.

On the basis of these principles assignments have been earmarked for developing the most important branches of the national economy. In industry there is to be more complete utilization of the production potential that has been created, more intensive work for technical reequipment and reconstruction of existing enterprises, as well as acceleration of the rates of technical progress, and further improvement of the structure of production.

In the fuel and energy complex the greatest increase is to come in the extraction of gas--by 5 percent (to 672 billion cubic meters) and the production of electric energy--by 3.9 percent (to 1,605 billion kilowatt-hours). Most of the increase in the extraction of gas is to be achieved in the northern part of Tyumen Oblast, and the construction of gas lines from there is continuing. In electric energy the increase in production at atomic electric power stations will amount to 13.4 percent and at hydroelectric power stations--5.1 percent, which will provide for more than half of the increase in the output of electric energy in the country as a whole. There will be an increase in the extraction of petroleum and coal using progressive technologies and more modern equipment with large unit capacities.

The development of the production of construction materials will continue and, in addition to increasing volumes, special attention will be devoted to further improvement of the structure of the products that are produced as a result of higher rates of increase in the production of effective materials--economical kinds of metal products, plastics, chipboard slabs and cardboard for containers. Thus ferrous metallurgy is to assimilate the output of 100 new kinds of economical profiles of metal. In the chemical and petrochemical industry the output of synthetic resins and plastics, types and parts of pipelines made of thermal plastics, chemical fibers and threads is to increase at more rapid rates. The production of progressive materials that are in short supply will be developed and the technology of their production will improve. In the timber and pulp and paper industry practically all the increase in output should be obtained as a result of better utilization of timber. It is intended to give preference to increasing the output of effective kinds of construction materials so as to fully satisfy the needs of construction organizations and maximally satisfy the needs of the population.

The 1986 plan has given practical embodiment to the provision set forth at the conference of the CPSU Central Committee concerning problems of scientific and

technical progress to the effect that machine building must play a key role in reequipping the national economy and carrying out the scientific and technical revolution. In order to realize this most important provision and improve the structure of industrial production, the 1986 plan stipulates that the growth rates of machine building output will exceed the rates of increase in the output of industrial products as a whole, 1.5-fold. The change in the structure of machine building itself will also be accelerated as a result of the more rapid rates of increase in machine building, instrument building and the production of computer equipment, which will make it possible to increase the rates of technical reequipment of all branches of industry and, above all, machine building itself. A great deal of attention will be devoted to raising the technical level and improving the quality of products, increasing the output of progressive kinds of products, reducing material-intensiveness and removing outdated products from production. The replacement of outdated equipment should be accelerated in machine building itself.

The 1986 plan also envisions a stronger turn in the direction of the social aspects of economic development. This is reflected first and foremost in the considerable increase in the growth rates of the production of objects of consumption (4.9 percent) as compared to the growth of the production of means of production (4.1 percent). Concrete measures have been earmarked for implementing the Food Program and the Comprehensive Program for the Development of the Production of Consumer Goods and the Sphere of Services. On the basis of these assignments have been earmarked for the development of the food and light industry which, in addition to increasing the output of products in physical terms, envision a considerable improvement in their quality and assortment. Heavy industry branches will make a greater contribution to the production of consumer goods.

In the area of the agroindustrial complex there is to be a consistent implementation of the Food Program, strengthening of the material and technical base for agriculture, an increase in the volume of its products, the introduction of intensive technologies and improvement of intrabranch proportions. In particular, in order to further advance animal husbandry it is intended to considerably expand feed production, and to considerably increase the production of all kinds of agricultural products: grain, sugar beets, sunflowers, cotton, meat, milk, eggs and so forth. Moreover, almost all of the increase in output is to be achieved as a result of intensive factors: increasing productivity in farming and animal husbandry. In order to strengthen the material and technical base, capital investments in the entire complex will increase, and the share of these that go for technical reequipment of agricultural production will increase. The planned volumes of production and procurements will make it possible to increase the growth rates of the food and meat and dairy industry and to improve the quality of their products.

The earmarked increase in the production volume is linked to the development of transportation. Cargo turnover on all kinds of transportation will increase by 3.6 percent, with more rapid rates for pipeline and maritime transportation. Work will continue to strengthen the material base of all kinds of transportation and expand the use of diesel fuel for automotive shipments.

Further development of the national economy under the 12th Five-Year Plan will largely be determined by the volume, effectiveness and organization of capital construction. Capital investments from all sources of financing are to increase by 7.6 percent and construction and installation work--by 6 percent. These figures show that in the structure of capital investments the proportion of equipment is increasing, and this is one of the principles of the intensification of production. The distribution of capital investments throughout the various branches is also intended to provide for subsequent intensification of production--investments in machine building are to increase by greater amounts. In order to implement the party social policy, it is intended to considerably expand capital investments in light and the food industry, consumer services and trade.

In order to raise the technical level of production, it is intended to increase significantly the proportion of expenditures on reequipment and reconstruction of enterprises, with the corresponding redistribution of resources and capacities of construction organizations. Large assignments are envisioned for starting up fixed capital and production capacities in all branches of the national economy, which will require improvement in the organization of work and concentration of capital investments on startup construction projects with the creation of normative stockpiles for the future. The distribution of capital investments among the individual regions is to provide for improvement of the location of productive forces and effective utilization of the capacities of all union republics.

The economy of the European regions of the country will develop mainly through further intensification of production, more effective utilization of production capacities, technical reequipment and reconstruction of enterprises. We shall continue to strengthen the energy base of these regions through atomic energy in order to provide a continuous supply of energy for the growing industry and other branches of the national economy. It is intended to put into operation capacities of 1 million kilowatts each at the Belakovskaya, Kalininskaya, Rovenskaya, Chernobylskaya, Zaporozhskaya and Khmelnitskaya AES's. There is to be an essential increase in the output of machine-building products and other branches will also develop more aggressively.

There is to be further improvement of the economic potential of the eastern regions of the country. Their share of the unionwide extraction of petroleum, gas and coal increased. The energy base will grow in order to provide for the development of energy-intensive production, including the production of chemical fibers and threads, synthetic rubber, resins and plastics, caustic soda and so forth. In the Kansk-Achinsk TPK it is intended to start up an energy block with a capacity of 800,000 kilowatt hours at the Beregovskaya GRES No 1. The last, the 10th, hydraulic unit will be put into operation at the Sayano-Shushenskaya GES. Other branches will also be developed: nonferrous metallurgy and the meat and fish industry. The economic assimilation of the BAM zone will continue. The production of consumer goods will increase throughout the region.

In the Transcaucasian republics it is planned to develop labor-intensive branches, including machine building, and the food industry will be oriented toward increasing the output of canned fruits and vegetables, natural juices, cooked fruits and other products along with wine materials.

In the Kazakh SSR, on the basis of strengthening the energy base, there will be increased production of mineral fertilizers, cement and other kinds of products. The extraction of petroleum and gas condensate will be expanded.

In the Central Asian republics, in order to increase the utilization of the existing labor resources, they shall continue to create labor-intensive productions. There will be further development of the cotton complex, including the creation of narrowly specialized small branches of light industry enterprises in small and medium-sized cities.

In all republics and economic regions of the country significant measures are to be taken to protect the environment. Work will continue on implementing the Food Program in keeping with the peculiarities of each region.

The high growth rates of the national income, the production of consumer goods, labor productivity and other economic indicators will make it possible to provide for further improvement of public well-being in 1986. The real per capita incomes will increase by 2.5 percent. Taking into account the centralized measures that have been conducted for increasing the wages for increasing the wages for individual categories of workers, the average monthly wage will increase by 2.5 percent and reach 195 rubles. The average wages of kolkhoz workers will increase to 156 rubles or by 2.5 percent. Payments and benefits for the population from the public consumption funds (pensions, grants and stipends) will increase by 4.1 percent.

The growth of the production of consumer goods will contribute to further increasing commodity turnover, improving the supply of food and industrial goods for the population and advancing the art of trade. In keeping with the Comprehensive Program for the Development of Consumer Goods in the Sphere of Services in 1986, there will be a significant increase in the volume of consumer services rendered to the population, especially in agriculture.

The 1986 plan envisions the construction of 114 million square meters of overall space in residential buildings from all sources of financing, so that it will be possible to improve the housing conditions for 10 million people. There will be a significant expansion of housing construction and rural areas, and the volumes of the introduction of housing construction cooperatives and through individual construction will also increase. There will be further development of education, public health and culture, and their material base will be strengthened.

The high rates of development of all branches of the economy in 1986 will provide for an increase in the volume of trade under foreign economic ties, especially with the CEMA countries. On the basis of mutual advantage we shall expand foreign trade circulation with capitalist and developing countries as well.

The fulfillment of the 1986 plan will mean practical realization of the demands for increasing the intensification of the economy. All enterprises, organizations, construction projects, kolkhozes and sovkhozes should make their contribution to its implementation. Further improvement of the organization of public production, the economic experiment and improvement of management will also contribute to carrying out this task. A creative approach to the new requirements for the development of the economy by all people employed in public production will create the necessary prerequisites for successful fulfillment of the plan for the first year of the new five-year plan.

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Entering the Year 1986

Moscow MATERIALNO-TEKHNICHESKOYE SNABZHENIYE in Russian No 1, Jan 86 pp 3-8

[Text] The 27th Congress of the Communist Party of the Soviet Union will take place in a couple of weeks. Each one of our party's congresses is an important landmark in the country's development.

In implementing the decisions of the 26th CPSU Congress our country took a large step forward in the developing the national economy and further raising the material and cultural level of the life of the people. Work became more active in the acceleration of scientific and technical progress, technical reequipment and reconstruction of existing production.

The most generalizing economic indicator of the country's development is the national income. As compared to 1980 it increased by 17 percent. More than 840 rubles' worth of capital investments were used for strengthening the material and technical base of the national economy and the construction of housing and social-cultural and other facilities. More than 1,000 modern new industrial enterprises were put into operation.

The leading branch of the economy, industry, was further developed. The increase in output amounted to 20 percent. Cargo turnover on all kinds of transportation increased by 15 percent during this time. The USSR Energy Program is being carried out. The Soviet Union, which previously held first place in the world in the extraction of petroleum, under the 11th Five-Year Plan took over this position with respect to the extraction of gas as well. The USSR's Food Program is being consistently implemented.

The increased scale of public production will be achieved to a significant degree as a result of increasing labor productivity. Production discipline has improved and losses of working time have been reduced. We have begun to utilize material resources more economically.

The increased effectiveness of public production and the greater labor productivity were the basis for raising the standard of living of the Soviet people. The real per capita incomes increased by 11 percent. In 1985 the average monthly earnings of workers and employees amounted to 190 rubles or 13 percent more than the 1980 level. Payments and benefits from public

consumption funds increased by 25 percent and reached about 530 rubles per capita in 1985.

These figures represent hard and inspired work on the part of Soviet people.

Collectives of enterprises and organizations of the state systems for material and technical supply have also done their bit for the overall achievement. They have achieved continuous provision of the national economy with all the necessary resources for successful fulfillment and overfulfillment of assignments that have been established and socialist commitments that have been adopted. Additionally, a great deal of attention was devoted to the further development of progressive forms of material and technical supply, improvement of economic ties among industrial enterprises, increased volume and improved quality of services for preparing products for industrial consumption, and economical and efficient utilization of raw materials, processed materials, batching items and fuel and energy resources.

Collectives of enterprises and organizations of the USSR Gossnab system are actively participating in nationwide socialist competition for a worthy greeting for the 27th CPSU Congress. In the vanguard of this labor competition are collectives of the Gossnabs of the Latvian SSR, the Estonian SSR, the Volga Main Territorial Administration of the USSR Gossnab, the Alma-Ata Main Territorial Administration of the Kazakh SSR Gossnab, the Kursksnabsbyt and Volgovskyatmashelektrosnabsbyt associations, and the Tatmetallosnabsbyt, Vladivostoksnabsbyt and Srednevolginstrumentsnabsbyt administrations.

But life does not stand still. In order to move forward it is necessary, on the one hand, to be armed with advanced experience and skillfully develop the positive tendencies in the national economy and, on the other, to fearlessly reveal the existing shortcomings and the unutilized reserves.

It is known that previous shortcomings and omissions have led to a retardation of the rates of the country's economic development and, moreover, the intensification of production, the rearrangement of the structure of production and the methods of administration and management were carried out half-heartedly. These omissions are the reasons why new technical equipment and technology was assimilated in production at inadequate rates and the technical level and quality of many items are not up to modern requirements. Here also is one of the reasons for the underfulfillment of the plan with respect to a number of positions by certain republics, ministries, associations and enterprises.

These unfavorable tendencies in the economy were the subject of the most serious analysis. At the April and October (1985) plenums of the CPSU Central Committee and at the party Central Committee conference on questions of accelerating scientific and technical progress the party developed a strategic course toward a radical acceleration of the country's socioeconomic development and a qualitative transformation of all aspects of the life of our society. The concept of acceleration is the pivotal point of all three of the precongress documents--the drafts of the new edition of the CPSU Program, the CPSU regulations with the proposed changes, and the Basic Directions for the

Economic and Social Development of the USSR During 1986-1990 and the Period Up to the Year 2000.

The draft of the Basic Directions for the Economic and Social Development of the USSR During 1986-1990 and the Period Up to the Year 2000, essentially, materializes the provisions of the new edition of the CPSU Program and translates them into the language of concrete planning assignments. Thus in the next 15 years it is intended to create an economic potential that is approximately equal in scale to that which has been accumulated during all the previous years of socialist construction. It is intended to raise productive forces and production relations to a qualitatively new level, to radically accelerate scientific and technical progress, and to provide for rapid advancement in the strategic directions of the development of the economy. It is planned to increase the country's national income by almost two-thirds. The productivity of public labor is to be increased 2.3-2.5-fold and thus a decisive step to be taken in the implementation of the party's program task of reaching the highest world level with respect to this indicator.

These rates are dictated by time itself, and above all by the need to improve the well-being of the Soviet people and to make their lives spiritually richer, more vital and full of content. Such growth will be possible and feasible if we provide for a sharp increase in the effectiveness of public production on the basis of all-round acceleration of scientific and technical progress. And effectiveness means first and foremost a reduction of the material-intensiveness and capital-intensiveness of items, improvement of their quality, and increased output of products with reduced expenditures of all kinds of resources.

An important role in the achievement of the goals that have been set is assigned to the state system of material and technical supply.

One of the fundamental directions in the work for implementing the course developed by the party toward intensification of production is prompt and high-quality delivery of raw and processed materials. Analysis of economic practice shows that after the publication of the decree of the CPSU Central Committee and the USSR Council of Ministers concerning strengthening delivery discipline, the union main supply and sales administrations, the union main batching item supply agencies, the gosasnabs of the union republics and the main territorial administrations did a great deal to perfect planning and to improve the balance of the volumes of production with the material and technical resources. Qualitative strides in contractual relations with consumers exerted a great influence on the reliability of the supply for industrial associations, enterprises and organizations.

The mutual responsibility and interest of the territorial agencies of our system and the industrial enterprises in observing contractual discipline have made it necessary to expand the arsenal of practical measures in all ways. Thus the course of the fulfillment of commitments for the delivery of products by industrial enterprises at the present time is being discussed regularly at meetings of boards of gosasnabs of union republics and main territorial administrations. These boards meet with the participation of representatives of ministries, departments and supply enterprises. This makes it possible to

reveal the real reasons for the interruptions in deliveries, to eliminate shortcomings on the spot, and to render to the industrial enterprises effective assistance in providing material resources and delivering the necessary products.

For example, drawing up schedules for production and delivery of products jointly with the industrial enterprises helps to strengthen delivery discipline in the Central Ural Main Territorial Administration. The Georgian SSR Gossnab holds a "Day of the Consumer." The purpose of this measure is to eliminate interruptions in supply caused by tardy delivery of the necessary material resources. An effective system of checking and exerting influence on the fulfillment of the plan for deliveries has taken form in Soyuzglavprivor. There the main deliveries to be monitored are those of products which are manufactured with a certain amount of tardiness.

There are also other examples of largely organizational work in our system which are directed toward the achievement of high final national economic results. All this as a whole, undoubtedly, is strengthening delivery discipline. Evidence of this is the considerable increase in the number of enterprises which are completely fulfilling their commitments.

At the same time, certain serious shortcomings have not been fully eliminated from this work. There are still frequent interruptions in the deliveries of the most important kinds of products. In a number of cases, for example, with construction materials, wood chip slabs and polyethylene, there was an underfulfillment of deliveries last year even when there were considerable supplies of the prepared products in the warehouses of the manufacturing enterprises. And this is the direct consequence of the inadequate developments by USSR Gossnab agencies and a reduction of the demands placed on supply enterprises. Thus omissions were observed in the gossnabs of the Kirghiz SSR, the Uzbek SSR, the Turkmen SSR, and the Leningrad, Western Urals and Middle Volga main territorial administrations.

The union main supply and sales administrations are called upon to do a good deal to strengthen delivery discipline. A precise determination of the need for resources, substantiation of orders and efficient organization of economic ties prevent expenditures on the output of items that are not needed in the national economy, for which there are no consumers, and which end up as above-normative supplies or so-called unliquidated goods. But, unfortunately, here too there are many omissions. This is shown by the still frequent cases of rejection of products that have been allotted.

Entering the year 1986, the first year of the 12th Five-Year Plan, and evaluating what has been achieved in a party-like, efficient way, we see: the increased demands make it incumbent on us, in keeping with the program documents of the party, to provide for further development and improvement of the state supply system and to increase its role in the organization of efficient economic ties.

Under the new five-year plan, in order to improve supplies for consumers, USSR Gossnab agencies will have to develop wholesale trade in products for production and technical purposes and expand the list of products which can be

acquired through territorial agencies of the system without submitting orders ahead of time.

Observance of the established delivery plan is inseparably related to improvement of transportation and economic ties. Here the efforts of the USSR Gossnab agencies should be directed toward solving a complex of intercoordinated problems. These include efficient assignment of consumption points to the place of production of products, coordination of the work of various kinds of transportation, all-around reduction of deadhead runs of rolling stock, uniform fulfillment of delivery plans, and intelligent concentration of cargo flows with respect to departures and arrivals, which contributes to the development of routing and the acceleration of cargo deliveries as a result of this.

Under the 12th Five-Year Plan it will be necessary to improve the organization of the delivery of products in small batches. Enterprises of our system deliver quite a few products in nontransit quantities, but it is planned to increase these deliveries. The startup of new warehouse complexes with progressive technology for processing cargo and highly productive equipment will contribute to this.

A constituent part of the overall complex of measures for improving the supply of industrial enterprises with material resources is the further development of package and container shipments of cargos. A good deal has been done in this area but the level of volumes of deliveries in containers in packaged form that has been achieved does not yet satisfy the national economy.

Efficient interaction of all agencies of the USSR Gossnab in questions of deliveries among themselves and also among enterprises and ministries are now acquiring special significance. It is necessary to delve deeply and specifically into the work of branches where an unfavorable situation has taken form with respect to the deliveries of products and to take all the necessary measures to radically improve the fulfillment of contractual commitments under the new five-year plan.

A serious problem of the 12th Five-Year Plan is efficient and economical utilization of material and technical resources. We will have to satisfy the country's increased needs for fuel, energy, raw materials and processed materials mainly as a result of economizing on them. Therefore it will be necessary to more rapidly master devices and methods for economical production and to introduce extensively resource-saving technological processes and equipment. The solutions to these problems are directly dependent on improvement of the quality of work in all units of the economic mechanism. USSR Gossnab agencies can and should do a great deal here.

An important area of this work is increased control over the observance of conditions for economizing. A new time sets new requirements. Today USSR Gossnab agencies can no longer limit themselves to simply establishing cases of extravagance and mismanagement. We need a concrete and thorough analysis of the causes that give rise to this and the development and implementation of practical measures directed toward preventing violations of state discipline in the future. This means that supervision of the utilization of material and

technical resources must be combined with work for reducing the norms for the expenditure of the main kinds of resources and additionally reducing expenditures per unit of products that are produced.

Main union supply and sales agencies are called upon to do a great deal here. Mainly, they must correctly determine the needs of the branches of industry for material resources on the basis of a careful analysis of the norms for expenditures, the working balances, and the actual supplies of commodity and material values.

Repeated utilization and salvaging of secondary resources that are formed in the sphere of production and private consumption are acquiring growing significance in economizing on material resources.

The USSR Gosnab is faced with the important task of further developing the material and technical base of the secondary resources branch. The creation of new production capacities for processing scrap paper, textile raw materials and other kinds of secondary resources opens up possibilities for drawing them more completely into economic circulation. They have examples to emulate here. Instructive experience has been accumulated in this area, say, in the Ukraine and Georgia.

There is a great deal to do in the area of improvement of planning work and increasing control over deliveries of secondary resources by industry. Here it is necessary to take immediate measures to ensure unconditional fulfillment of contractual commitments by suppliers. Improvement of the quality of raw material that is delivered is also of essential importance. The effectiveness of the return from our industry depends largely on this.

Fuel and energy require special concern today.

An important reserve for economizing on fuel and energy is the extensive utilization of secondary energy resources. An effective measure for drawing in this reserve can be activating the work of the corresponding administrations of the USSR Gosnab, the main union supply and sales administrations and the ministries for increasing the output of heat-salvaging equipment, control and measurement instruments and automatic equipment, and heat-insulating materials.

Increasing the effectiveness of the work of the state supply system depends essentially on consistent improvement of its material and technical base and above all warehousing.

During 1965-1980 the capacities of USSR Gosnab warehouses increased 4-fold, and the overall value of fixed production capital increased more than 6-fold. A ramified network of modern specialized and universal enterprises for delivering products was created, and it extensively utilizes stacker-cranes, electric and automotive loaders, mobile automated shelves and computer equipment which are being produced at the present time.

The goal-directed activity for developing warehousing has led to large social changes in the branch. Heavy physical labor has basically been placed on the

shoulders of machines and mechanisms. In the warehouse complexes loaders and riggers have been replaced by machine operators, technologists, engineers and programmers. For the first time work there has become prestigious and attractive, and youth are drawn to it.

A good deal has been done in the sphere of material and technical supply to improve warehousing. But the organization and technical level still lags behind the requirements of the present day. This is shown by these facts.

The modern technical equipment and the advanced technology is not being utilized in a well-thought-out and calculated way, with an aim to achieving the highest final results, in all territorial agencies of the USSR Gossnab system. Thus in the gossnabs of Azerbaijan SSR, the Tajik SSR, the Moldavian SSR, Kirghiz SSR, and the Bashkir, Volga, Southern Ural, Western Siberian, Eastern Siberian, Vologda, Moscow and Murmansk main territorial administrations and in certain other territorial agencies the level of mechanization of warehousing operations is lower and the proportional number of workers employed in manual labor is considerably higher than the average indicators for the system of the USSR Gossnab. It is not surprising that the average output per worker in these administrations is lower than the established assignments.

The reduction of the expenditure of manual labor on lifting-transportation, loading-unloading and warehouse work as a result of comprehensive mechanization and automation is not only a primary economic task, but also an important social one. This is why the most constant attention should be devoted to the intensification of warehousing, the accelerated introduction of the achievements of science and technology and the implementation of the target comprehensive program for reducing manual labor in the branch.

Under the new five-year plan efforts should be concentrated on the development and extensive introduction of labor-saving technologies, automated systems for control of technological processes and scientific organization of labor. It is necessary to provide for an approximately 3-fold acceleration of the rates of reduction of the number of workers employed in manual labor as compared to the 11th Five-Year Plan. There is also the task of completely eliminating heavy physical labor, first and foremost the labor of women in these jobs.

In this connection, scientific research and planning-design organizations of the USSR Gossnab are faced with large tasks.

Our branch's scientific potential is considerable. The ways of increasing the effectiveness of the work of scientific and planning-design subdivisions of the USSR Gossnab system are known--they include the development of concrete economic, technical and organizational measures that are capable of changing the face of the branch and arming it with advanced devices and methods of labor and leading technology and technical equipment.

But branch science frequently still operates as though it were idling. On the one hand this is manifested in the small number of developments with principally new scientific and technical decisions, which are not always of high quality, and, on the other, in the fact that much of the useful work that

is done by the institutes is very slow in making its way into the sphere of practical activity.

The improvement and development of the state supply system and the entire economic mechanism for its functioning will produce the expected results only if there is a simultaneous improvement in the mode of economic thinking of our personnel.

It is emphasized in the draft of the new edition of the CPSU Program that the party permanently links a higher level of leadership of state, economic and cultural construction to further improvement of work with personnel. It attaches principal significance to the development in workers of such qualities as a keen sense of the new, the readiness to take responsibility for themselves, the desire to learn to work better, and the ability to take into account the political meaning of management and demandingness on themselves and others.

Not a single supply worker can remain beyond control, beyond the solution to the essential tasks that face the state material and technical supply system today. It is necessary everywhere to establish a spirit of innovation and creative involvement in work as well as direction toward all-around acceleration of scientific and technical progress and to cultivate the ability to evaluate objectively and self-critically the results that have been achieved as well as the desire to make a worthy contribution to the implementation of the party's plans.

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Builders in Beginning Year of Five-Year Plan

Moscow EKONOMIKA STROITELSTVA in Russian No 1, Jan 86 pp 3-11

[Text] The 11th Five-Year Plan, which has just come to an end, was an important stage in the development of our country's national economy. During the course of the implementation of the decisions of the 26th CPSU Congress an important new step was taken in the advancement of the well-being of the Soviet people and the development of all branches of the economy.

Along with all Soviet people the army of many millions of builders are summing up the results of what has been achieved during the years of the 11th Five-Year Plan and critically evaluating the results of their labor from the standpoint of high demandingness. During these years more than 840 billion rubles' worth of capital investments were made in strengthening the material and technical base of the national economy and constructing housing, social-cultural and other facilities. More than a thousand modern new industrial enterprises were put into operation, 48,000 kilometers of main gas lines and outlets from them were constructed, and the entire distance of the Baykal-Amur Main Railroad line was opened up for the movement of trains. Residential buildings with an overall area of more than 550 million square meters were put

into operation, which made it possible to improve housing conditions for more than 50 million people.

The construction workers have worked fairly well in 1985, the final year of the five-year plan. Participating in the socialist competition that developed were a worthy greeting for the 27th CPSU Congress, in the last year they provided for the construction and startup of 13.2 million kilowatts of capacity at turbine electric power stations, 12,500 kilometers of main gas lines and outlets from them, mines and working faces for extracting 35.4 million tons of coal and 9.1 million tons of iron ore, enterprises for smelting 0.9 million tons of steel and producing 1.3 million tons of mineral fertilizers and 79,700 tons of chemical fibers and threads, capacities for producing 55.6 million square meters of nonfabric materials, 62.5 million pieces of knitted underwear, processing 192 tons of meat a shift, and many other production capacities and facilities. The plan was fulfilled for starting up capacities for producing whole-milk products, elevator capacities, milling and mixed feed enterprises, animal husbandry complexes and poultry farms. A considerable number of objects for nonproduction purposes were introduced.

At the same time it must be noted that the main construction ministries have not achieved complete concentration of material and labor resources on the startup projects and objects, and the ministries and the client departments have allowed interruptions in the deliveries of equipment for the startup facilities, as a result of which in 1985 a number of production capacities were not introduced on time. The situation is especially unfavorable with respect to the startup of production capacities in the electric energy, gas, coal, timber, pulp and paper, and wood-processing branches of industry, enterprises for producing mineral fertilizers, construction elements and parts and also consumer goods, as well as warehouses and storehouses for vegetables and fruits.

The volume of contracting work done in 1985 in the national economy as a whole amounted to 85.8 billion rubles or 95 percent of the established plan and 102.5 percent of the actual volume performed during 1984. Still, all of the construction ministries except for the ministry of construction for petroleum and gas industry enterprises failed to fulfill the annual plan. The level of fulfillment of the plan was especially low in the USSR Ministry of Power and Electrification (87 percent), Ministry of Construction in the Far East and Transbaykal Regions (93 percent), and the Ministry of Construction of Heavy Industry Enterprises (93 percent).

According to the plan for 1985, it is intended to invest 5.02 billion rubles' worth of capital investments in the development of the branch's "construction" and "the construction elements and parts industry," including 1.1 billion rubles in construction and installation work. Actually, 4.9 billion rubles' worth of capital investments have been assimilated, including 0.99 billion rubles' worth of construction and installation work; fixed capital worth 4.95 billion rubles has been put into operation. Of the overall volume of capital investments in construction and technical reequipment of existing enterprises of construction organizations, 1.14 billion rubles or 23 percent of all the

funds have been used for the acquisition of construction equipment, means of transportation and supplies--3.5 billion rubles.

In 1985 the contracting ministries received about 8,800 single-scoop excavators, 6,600 bulldozers, 1,270 pneumatic wheeled cranes, 860 caterpillar cranes, 1,700 tower cranes and a good deal of other technical equipment.

But the funds used for the development of the production base of construction organizations are not yet producing the proper return. The growth rates of the average annual value of fixed production capital in construction ministries considerably outstrip the growth rates of the volumes of contracting work they perform, which entails further reduction of the output-capital ratio and deterioration of the main technical and economic indicators of their activity.

As the supply of technical equipment increases there is a steady increase in the energy-availability and machine-availability for the labor of the workers. For five of the main contracting ministries on the whole during the years of the five-year plan the energy-availability for labor increased by 12 percent and the machine-availability--by 42.3 percent. Yet it is expected that the increase in labor productivity during these years will amount to only 14.5 percent. These more rapid growth rates of the machine-availability for labor as compared to the growth rates of labor productivity have an unfavorable effect on the economies of construction and installation organizations.

While there has been some improvement in the material and technical supply of installation and construction industry enterprises with material and technical resources, as before construction is experiencing a critical shortage of progressive and economical materials and items which make it possible to reduce material-intensiveness, labor-intensiveness and the cost of construction, and also to improve the quality of work and reduce the time periods for carrying it out. It is especially necessary to note the inadequate volume of deliveries for the needs of construction of galvanized profiled planks, highly durable wire, aluminum for construction elements, highly effective heat installation and finishing materials, high-quality kinds of linoleum, polymer pipes complete with joints and synthetic glues for producing glued wooden elements. To this one should add that a considerable number of suppliers of construction materials and rolled metal are not fulfilling their delivery plans.

At the same time in construction there is still an overexpenditure of materials as compared to the norms, above-normative supplies of materials and elements are increasing, and there is defective work and reworking, and also cases where material resources are used for nonplanned work.

The draft of the Basic Directions for the Economic and Social Development of the USSR During 1986-1990 and the Period Up to the Year 2000 which was submitted for approval by the 27th CPSU Congress determined that the main task of capital construction under the 12th Five-Year Plan and the more distant future is the creation and accelerated updating of fixed capital on a qualitatively new technical basis, mainly through technical reequipment and reconstruction of existing enterprises, further increasing the effectiveness

of capital investments as a result of improving planning and construction, reducing time periods for constructing enterprises, installations, housing and other facilities for nonproduction purposes with a reduction of their cost and proportional expenditures of material resources, and observing proportionality in the creation of production capacities and objects of the social infrastructure as well as comprehensiveness in the development of branches and regions of the country.

The draft of the Basic Directions determines the peculiarities of the development of capital construction in forthcoming years on the basis of the need to improve the structure and proportions in the national economy, to raise the technical level of production and to distribute productive forces efficiently. It should be noted that in the future problems in the volumes and rates of capital constructions will have to be solved in more difficult objective conditions for reproduction because of the retardation of the increase in practically all kinds of resources and the sharp increase in expenditures necessary for maintaining the functioning of existing capacities on the level that has been achieved, that is, on simple reproduction.

The volume of capital investments in the national economy is to increase by 18-21 percent during the 5 years, and the volume of contracting work--by 15-16 percent.

Capital investments will increase at high rates in the branches of the fuel and energy complex and also in the branches that determine the acceleration of the introduction of scientific and technical progress. Considerable volumes of capital investments will be allotted for balanced development of the branches of the agroindustrial complex, in amounts that provide for implementation of the Food Program. Among the measures directed toward providing for further advancement of public well-being and more complete satisfaction of the growing material and spiritual needs of the Soviet people, under the 12th Five-Year Plan it is intended to construct residential buildings with an overall area of 565-570 million square meters, to introduce hospitals with 350,000 beds, outpatient polyclinic institutions for 900,000 visits a shift, preschool institutions to accommodate approximately 3 million, general educational schools for 7 million students, and vocational and technical training institutions for no less than 810,000.

In order to increase the effectiveness of capital construction, it is intended to continue to improve planning estimate work, to improve the quality of plans that are developed, to provide for extensive application of the achievements of scientific and technical progress in them as well as rational utilization of natural resources, and, on the basis of this, to achieve a reduction of the proportional indicators of the estimated cost of construction.

In order to carry out this task it is intended to implement a number of measures for improving the norms for construction and technological planning, standards, unification of standard plans and decisions, and also for improving the quality and the technical and economic indicators of technological equipment and machines manufactured by machine building ministries, including for expanding the production of machines that are suitable for work in open areas and in unheated premises.

It is intended to improve the technology of planning on the basis of more extensive utilization of systems for automated planning, expansion of the network and specialization of planning and research organizations, increased volumes of construction planning with the participation of construction ministries, and improvement of payment and incentives of labor of planners in order to achieve high qualitative indicators of the plan.

Under the 12th Five-Year Plan, as determined by the draft of the Basic Directions, there should be a further rise in the level of industrialization of construction production and, on the basis of this, its sequential transformation into a unified industrial-construction process for the erection of objects from elements that are manufactured in plants. It will be necessary to accelerate the creation and introduction of progressive technology and systems of machines and mechanisms that provide for comprehensive mechanization of construction and installation work. Constructing these and other measures for reducing manual labor should provide for a reduction of the volume of work performed manually by approximately 25 percent.

Significant measures should be taken to improve the organization of construction production. It will be necessary to continue work for consolidating construction and installation organizations, reducing surplus management units, expanding the independence of construction and installation trusts, increasing their responsibility for the startup of capacities and facilities, and improving the results of economic activity.

In order to reduce the time periods for construction, at the present time the USSR Gosplan and the USSR Gosstroy in conjunction with the ministries and departments are revising the existing normatives for the duration of construction, taking into account an essential improvement in the organization of construction production and the substantiation of the list of capacities and objects earmarked for construction under the 12th Five-Year Plan.

The plan for capital construction in 1986, the first year of the 12th Five-Year Plan, was developed on the basis of provisions in the draft of the Basic Directions for the Economic and Social Development of the USSR During 1986-1990 and the Period Up to the Year 2000, taking into account the requirements of the April and October (1985) plenums of the CPSU Central Committee concerning the need to increase the intensification of construction production on the basis of the introduction of the achievements of scientific and technical progress, acceleration of the startup of production capacities and objects, concentration of resources and capacities of construction organizations on the most important construction projects of the national economy, and reduction of the construction front.

In the plan for 1986 the limit of capital investment in the national economy from all sources of financing is envisioned in the volume of 185.9 billion rubles, or an increase of 7.6 percent as compared to the fulfillment during 1985 (not taking into account above-plan work). Here the proportion of capital investments used for technical reequipment and reconstruction of existing enterprises in the overall volume allotted for production

construction will increase from 34.6 percent (according to the approved plan for 1985) to 40 percent. The limit of construction and installation work has been determined in the sum of 93.6 billion rubles, which is 2.3 percent more than according to the plan and 6 percent more than was done in 1985.

The overall volume of contracting work by state contracting organizations, taking into account the volumes of work they have done through funds for capital repair, in 1986 will be 92.9 billion rubles or 2.9 percent more than the 1985 plan and 8.3 percent more than the amount that was actually done in 1985.

Because of the high concentration of startup and other most important national economic construction projects in regions where organizations of the main construction ministries are in operation and the considerable increase in limits on construction and installation work for the various branches, the basic volumes of work for which are done by the USSR Ministry of Construction of Heavy Industry Enterprises, the USSR Ministry of Industrial Construction and the USSR Ministry of Construction, and also because of the considerable overfulfillment of the plan for 1985, the increase in the volumes of contracting work in these ministries is higher than in the national economy as a whole.

When developing the plan for contracting work measures were envisioned for priority provision for contracting work at startup construction projects and objects and construction projects of machine building and other ministries related to the acceleration of scientific and technical progress in the national economy. Considerable attention was devoted to construction projects of the agroindustrial and fuel-energy complexes. The first to be included in the plans for construction ministries was work for reconstruction and technical reequipment.

The proportion of work for construction of facilities for production and nonproduction purposes whose startup, according to the plan, is envisioned for 1986 amounts to about 59-60 percent of the overall volume of contracting work of the USSR Ministry of Construction of Heavy Industry Enterprises, the USSR Ministry of Industrial Construction and the USSR Ministry of Construction, which is higher than it has been in preceding years.

Because of the need to provide for prompt startup in 1986-1987 of production capacities that are of primary significance for the national economy and the construction of objects involved with acceleration of scientific and technical progress, in a number of regions of the country the rates of increase in the volumes of work of construction organizations in 1986 are higher than in contracting ministries as a whole. An especially difficult provision: the USSR Ministry of Construction of Heavy Industry Enterprises--in the Kazakh SSR, Krasnoyarsk Kray, and Kursk, Rastov and Sverdlovsk oblasts; the USSR Ministry of Industrial Construction--in Volgograd and Astrakhan oblasts and Stavropol Kray; the USSR Ministry of Construction--in the Kirghiz SSR and Penza, Novgored and Kalinin oblasts.

The volume of work for the Ministry of Transport Construction has been earmarked with an increase of 3.5 percent of the expected fulfillment for

1985, the Ministry of Construction of Petroleum and Gas Industry Enterprises--8 percent, in the USSR Ministry of Power and Electrification, because of the development of atomic energy, the increase will be about 10 percent.

In forming the plan for the startup of production capacities in 1986, because of the difficulties with supplying sets of equipment and, in individual cases, because of the overloading of contracting organizations and other factors, we did not manage to achieve uniform distribution of assignments among the various quarters of the year: in the first half we are to start up only 11 percent of the overall annual assignment for startup, and in the third and fourth quarters it is planned to start up 89 percent (in 1985 it was 92.4 percent). Taking into account the fact that the production capacities that were not introduced in 1985, with the adjustment of the plan, will be transferred mainly to the first half of 1986, the aforementioned proportion of production capacities to be started up during this period will increase somewhat.

It must be noted that in keeping with the decree of the CPSU Central Committee and the USSR Council of Ministers of 29 April 1984 No 387, in addition to establishing the plan for the startup of production capacities and objects for 1986, assignments were earmarked for starting up production capacities and objects for contracting ministries and departments in 1987, with a breakdown for the halves of the years. These assignments should become the basis for the development of a plan for the startup of production capacities in the second year of the 12th Five-Year Plan.

For the development of the production base of construction organizations the plan envisions capital investments in an amount of 5.8 billion rubles, including 1.2 billion rubles for construction and installation work, which is 17 percent and 13 percent more, respectively, than was envisioned in the plan for 1985. Of the overall volume of capital investments 4 billion rubles are intended for the acquisition of construction equipment and means of transportation. More than 27 percent of the overall volume of capital investments are to go for technical reequippment and reconstruction of existing enterprises.

In 1986 the volume of incomplete construction in the branches "Construction" and "Construction Elements and Parts Industry" is to decrease by 231 million rubles as compared to 1985.

An essential influence on raising the technical and economic level of construction in 1986 and subsequent years of the five-year plan should be rendered by the decree adopted by the CPSU Central Committee and the USSR Council of Ministers on 15 August 1985, No 776, "On Further Development of Industrialization and Increased Productivity of Labor in Capital Construction." This decree earmarked measures for essentially reequipping the material and technical base of construction, improving the utilization of the potential that has been created in construction, and increasing deliveries for the needs of construction of progressive and economical elements, polymer and other effective materials, and construction equipment.

This decree of the CPSU Central Committee and the USSR Council of Ministers was used as a basis for the development of the plan for industrial production and the plan for the development of science and technology in 1986.

The plans for industrial production of the construction ministries and departments during 1986 are oriented to a greater degree than in preceding years toward increasing the output of progressive construction elements and parts. In particular, the volume of production of reinforced concrete slabs is to be increased to 98,000 square meters in 1986, and the production of reinforced concrete three-layer panels for outer walls with flexible connectors and thermal insulation made of effective materials is to be increased to volumes that will provide for the construction of 2.5 million square meters of overall space in residential buildings and 1,000 prefabricated buildings (modules) made of lightweight metal elements delivered in sets.

For the first time we have envisioned assignments for ministries and union republics to produce panels and other elements for large-panel housing construction in a volume that provides for the construction of residential buildings of this type with an overall area of 52,836,000 square meters, which will contribute to raising the level of fully prefabricated housing construction in the overall volume of housing construction and to improving the level of utilization of production capacities of enterprises of large-panel housing construction, increasing it to 83 percent in 1986 as compared to 78.7 percent in 1984.

The volume of production of traditional steel elements will remain at approximately the 1985 level. But then the volume of production of lightweight metal elements will increase to 5,588,600 square meters of building coverings (a 4.7-percent increase) and aluminum elements--to 65,000 tons (a 9.2-percent increase). The volumes of production of glued wooden elements and carpentry items are increasing.

The volumes of production of construction elements and items envisioned in the plan for 1986 (taking into account efficient and economical utilization of these) are sufficient for carrying out the earmarked volumes of contracted construction and installation work.

For purposes of more complete satisfaction of the needs of the population for construction materials, items and elements, industrial enterprises and construction-installation organizations of eight construction ministries have been given assignments in the 1986 plan for producing and selling these products to the population with more than a 2-fold increase as compared to the 1985 plan (the 1985 plan--63 million rubles, the 1986 plan--140 million rubles). While expanding the volume of services to the population, contracting construction ministries in 1986 will be extensively enlisted for the construction of individual residential buildings, construction projects for gardening societies, cooperative garages and other structures on orders from the population.

The volume of deliveries of technical equipment to construction and installation organizations is envisioned in the 1986 plan in keeping with the

assignments set by the aforementioned decree of the CPSU Central Committee and the USSR Council of Ministers of 15 August 1985, which will make it possible to somewhat improve the supply of construction organizations and the age composition of the fleet of existing machines. According to the plan construction workers are to receive 9,700 single-scoop excavators, 9,200 bulldozers, 7,300 tower and automotive cranes and a considerable quantity of other technical equipment. Moreover, the structure of the machines delivered to construction will improve: the number of self-propelled scrapers, for example, has been increased by 30 percent, automatic concrete pumps--25 percent, and single-scoop excavators with increased unit capacity--7 percent.

In order to provide for construction of facilities for the petroleum and gas industry in Western Siberia, a considerable quantity of technical equipment adapted for conditions of work under extreme geological and climatic conditions is to be delivered.

At the same time the overall quantity of equipment delivered, in spite of the large increase in the volumes of work, is practically at the 1985 level. Construction will continue to be short of machines with increased unit capacity, mainly: bulldozers, excavators, and pneumatic wheel and tower cranes. Domestic industry is late in assimilating the production of machines that are extremely necessary to construction such as pneumatic wheeled bulldozers with capacities of 250-300 horsepower, universal pneumatic wheeled construction motors with a device for rapidly changing working parts, gantry cranes for installation with lifting capacities of more than 100 tons, and other kinds of progressive construction equipment.

An innovative element in the section of the plan called "Development of Science and Technology" is the inclusion in it of generalizing indicators and the simultaneous reduction of the number of partial indicators by more than half. As the generalizing indicator it establishes the indicator of the proportion of construction and installation work performed with new technical equipment and technology, which reflects the scope of application in construction of progressive items, elements and technologies, and characterizes the overall technical level of construction in each ministry and department. The second generalizing indicator--the proportion of work for the construction of prefabricated buildings and structures in the overall volume of construction and installation work--characterizes the overall level of industrial work in construction.

The inclusion of these indicators in this section of the plan is meant to provide for an increase in labor productivity, a reduction of the construction and installation work costs, a reduction of the expenditure of the main kinds of construction materials and fuel and energy resources, improvement of the quality of the work, and reduction of the weight of the buildings.

The plan envisions more than a 4-fold increase in the volume of construction of public buildings and structures and auxiliary buildings of industrial enterprises made of large panels (instead of frame-panel buildings). Their application will make it possible to reduce the expenditure of steel by 15-20 percent, the expenditure of cement by 5 percent and labor expenditures by 20 percent.

There is to be a 4-fold increase in the production of block-set buildings (increasing the volume to 397,000 square meters), whose application provides for an increase in labor productivity and an acceleration of the introduction of the facilities into operation. The volume of production of reinforced concrete structures and items manufactured using superplastifiers will more than double which will provide for a savings on cement of 40 tons per 1,000 cubic meters of reinforced concrete. It is also intended to introduce new technologies for producing elements and construction and installation work, to construct experimental facilities for industrial, agricultural and housing-civil purposes, and to increase the proportion of products of the highest quality category in the overall volume of commercial products produced by industrial enterprises of the construction ministries.

As calculations show, the fulfillment of assignments for 1986 according to the plan for the development of science and technology should provide for an annual economic effect in construction in the amount of 2.5 billion rubles.

When developing the plan for 1986 some special attention was devoted to balancing the volumes of work with the allotted material and technical resources.

In construction as a whole the assignment for economizing on rolled metal was set in the amount of 3.1 percent, cement--2.8 percent and timber materials--3 percent, including as a result of improvement of planning decisions, in the amount of 2.5 percent, 2 percent and 2 percent respectively (rough figures).

The calculation of the need for materials for construction that was done on the basis of the average norms of their expenditure per 1 million rubles of estimated cost of construction and installation work, taking into account the branch structure of the work and the assignments for economizing on materials, shows that in 1986 there will still be a certain amount of strain in providing construction with individual kinds of materials. Construction ministries and client ministries are called upon to step up work for economical expenditure of construction materials, the application of economical plans, the introduction of waste-free technologies at enterprises of the construction industry, the enlistment of above-normative supplies into production, the reduction of losses and nonproductive expenditures, and also complete elimination of cases of utilizing materials for other than their intended purposes.

The activity of suppliers of material resources is in need of serious improvement, especially enterprises of the USSR Ministry of the Pulp and Paper Industry, the Ministry of Ferrous Metallurgy (above all with respect to deliveries of effective profiles of rolled metals) and the USSR Ministry of Nonferrous Metallurgy, which in conjunction with USSR Gosnab agencies should provide for prompt and complete delivery of resources in keeping with the allotted funds.

The plan for 1986 envisions increasing labor productivity and construction by 3.5 percent (of the expected fulfillment for 1985) and increasing the average wage by 2.3 percent. The assignment reducing the production cost of

construction and installation work for the group of organizations for which this assignment is established in the State Plan is set in the amount of 0.5 percent. The expenditures per 1 ruble of construction and installation work have been set in the amount of 86.6 kopecks. Additionally, for the main construction ministries the assignment for reducing production costs is to be considerably more than for all the other organizations. The profit for the group of organizations taken into account in the plan for economic and social development has been earmarked in the amount of 10.3 billion rubles.

In 1986 the economic experiment started in 1985 in three construction main boards and two republic ministries will be continued. It envisions further improvement of the economic mechanism, expansion of independence and increased responsibility of construction organizations, and also increased responsibility of all participants in construction in all stages of it, beginning with the development of planning documentation and ending with the release of the facility for operation.

The fourth session of the USSR Supreme Soviet of the 11th Convocation adopted the law on the State Plan for Economic and Social Development of the USSR for 1986. To carry out the assignments of the plan of the first year of the 12th Five-Year Plan is the patriotic duty of the army of many millions of construction workers.

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Statistical and Methodological Work

Moscow VESTNIK STATISTIKI in Russian No 1, Jan 86 pp 3-13

[Article by I. Matyukha, Chief of the Division for Consolidated Statistics and Statistical Methodology of the USSR Central Statistical Administration, candidate of economic sciences: "The Plan for Statistical and Methodological Work of the USSR Central Statistical Administration for 1986"]

[Text] The plan for the work of the USSR Central Statistical Administration in 1986, the starting year of the 12th Five-Year Plan, has been prepared in keeping with the new tasks of state statistical agencies which ensue from the points of the October (1985) Plenum of the CPSU Central Committee and the June conference in the CPSU Central Committee regarding questions of accelerating scientific and technical progress in which they emphasize the need for more rapid and high-quality development of the country's economy, structural rearrangement of production, a changeover to a basis of intensification, and improvement of the entire economic mechanism and the entire system of management.

The plan gives concrete embodiment to the tasks of state statistical agencies in light of the drafts of the new edition of the program of the communist party of the Soviet Union and regulations of the Communist Party of the Soviet Union (with the proposed changes), and the Basic Directions for the Economic and Social Development of the USSR During 1986-1990 and the Period Up to the Year 2000, which were extensively discussed in party organizations and labor collectives on the eve of the 27th CPSU Congress.

The plan for statistical and methodological work was directed first and foremost to carrying out the major task of statistical agencies, which consists in complete and prompt provision of management, planning and economic agencies with all the necessary statistical administration that characterizes the course of the implementation of the State Plan for the Economic and Social Development of the USSR in 1986 and the socialist commitments of the workers. At the same time a number of tasks are to be carried out in connection with summing up the results of the development of the country's economy and the improvement of public well-being in 1985 and under the 11th Five-Year Plan as a whole.

Statistical investigation of the existing reserves in the branches of the national economy, whose utilization will make it possible to increase the rates of improvement of public production and public well-being, will be continued. In important places being allotted to statistical work whose materials will characterize the results of the changeover to the new conditions of the management of associations and enterprises in the national economy and, from the results of this, the changeover to comprehensive improvement of the entire system of management and administration.

In order to carry out the aforementioned tasks effectively, the system of statistical indicators and the methodology for calculating and analyzing them will be improved, and the selective method of investigating a number of socioeconomic problems and also mechanization of the development of reports will be applied more extensively.

One of the leading physicians in the plan is held by work on statistics of technical progress. The periodic and annual reports from this branch of statistics make it possible to systematically observe the course of the fulfillment of the most important assignments for the development of science and technology. Its data will characterize the way the ministries and departments carry out comprehensive target scientific and technical programs, whose final results are the assimilation, industrial production and application of new technical equipment and progressive technological processes, the introduction of advanced methods of labor organization, increased effectiveness and progressive changes in the technical and economic level of production organization, the output of products, and the improvement of their quality. The reports also provide for observing the implementation of programs for solving the most important scientific and technical problems related to the creation of principally new technological processes and kinds of technical equipment as well as their practical application, and also the development of scientific research and technical developments in the most promising areas of science and technology.

In 1986 we shall continue statistical observation of the fulfillment of planning assignments for the assimilation of new kinds of industrial products, singling out new goods for cultural-domestic and household purposes. The necessary reports are to be gathered for an analysis of data characterizing the removal of outdated industrial products from production. In connection with analyzing the updating of products, a great deal of significance is attached to report figures concerning the fulfillment of planned assignments

by the ministries and departments for the introduction and application of progressive technology and industry, agriculture, construction and other branches of the national economy. In order to deepen the economic analysis of the development of mechanization of production, reports will be developed concerning the introduction of computer equipment in keeping with the planned assignments for the ministries and departments. As before, statistical information necessary for checking on the course of mechanization of labor-intensive and heavy work in a number of branches of industry will be gathered.

On the plan of work for statistics on technical progress in 1986 it will be typical to use extensively selective investigations and accounts for gathering information regarding certain individual problems. It has intended to conduct the following investigations: of the updating of industrial output at enterprises of a number of machine-building ministries; the results of the activity of scientific research and design organizations that are working on problems of construction; the results of the work of scientific research institutes of the USSR Academy of Sciences and the Academies of Sciences of the Union Republics. The programs of a number of one-time accounts will pertain to problems having to do with new types of machines, equipment, apparatus and instruments that were created for the first time in the USSR in 1985; the time period for the assimilation and the volumes of production of products for foreign licenses that have been purchased, and so forth. During the course of the year, in keeping with special programs, statistical information will also be gathered concerning the course of the implementation of a number of decrees of the CPSU Central Committee and the USSR Council of Ministers for the development, creation and assimilation of new technical equipment and the solution to certain scientific and technical problems by the ministries and departments.

In the statistics of industry in 1986 there will be further deepening of the development of report data necessary for analyzing the development of the leading branch of the national economy and providing for technical renewal of the production apparatus on the basis of the achievements of scientific and technical progress and the utilization of the production potential as well as the social direction of the development of industrial production. In connection with these main tasks, special significance is attached to statistical material that elucidates the course of the implementation of long-term national economic programs, especially the Food, Energy and Comprehensive programs for the development of the production of consumer goods and the sphere of services during 1986-2000.

The development of monthly reports concerning the course of the fulfillment of assignments for producing industrial products in value and physical terms is very important. We shall continue to develop the data necessary for analyzing the fulfillment of planned assignments in terms of the volume of products sold and the output of products in keeping with delivery commitments that have been adopted. We shall improve reports that make it possible to analyze the development of the production of consumer goods in keeping with the comprehensive program, for which the list of industrial products has been considerably expanded. At the same time the existing reports will make it possible to analyze the further development of productions included in Group B of industry.

In connection with the analysis of the effectiveness of production, we shall systematically clarify data concerning the technical level, quality and grade of many kinds of products. The most important indicator here is the volume of products in the highest quality categories as compared to the overall volume of products produced. There is to be extensive development of reports on the production cost of commercial products, limits of material expenditures on their production, the production cost of each unit of the most important kinds of products and so forth. These data will make it possible to analyze the course of the fulfillment of the corresponding assignments of the results of the economic activity of the enterprises.

A number of current and annual reports are being developed for observing the course of fulfillment of indicators of the plan for labor in industry. These include indicators of the limits on the number of personnel, wages, labor productivity, utilization of working time and also data concerning the introduction of scientific organization of labor, the number of workers in industry included in the brigade form of organization and stimulation of labor, the existence and certification of work positions, and so forth.

In order to organize comprehensive analysis of the effectiveness of development, we shall continue to check on the availability, composition and changes in fixed capital in the branch, the utilization of production capacities, and the fulfillment of planned assignments for increasing them as a result of technical reequipment and organizational and technical measures. In this connection data from the developed balance of production capacities of industrial enterprises for a number of kinds of products are very important.

Industrial statistics is faced with important tasks for strengthening economic analysis of data concerning the development of the basic branches, and above all branches of machine building, raising the technical level and improving the quality of machine building products, and developing machine building as the basis for scientific and technical progress under the 12th Five-Year Plan.

It is important to emphasize that the development of current and annual reports for industrial statistics is being carried out for union and republic ministries, individual production associations and enterprises, administrative territories, economic regions and territorial production complexes. During 1986 industrial associations and enterprises will be grouped according to the most important economic markers and a one-time investigation will also be conducted. All this will make it possible to deepen the comprehensive analysis of statistical data during the course of the fulfillment of planned assignments for the development of industry.

Statistics of the agroindustrial complex is faced with important tasks arising from the decree of the CPSU Central Committee and the USSR Council of Ministers, "On Further Improvement of Management of the Agroindustrial Complex." The task consists primarily in organizing statistical observance of the growth of production, the development of production ties of enterprises and organizations in the complex, the integration of agriculture and the processing industry, the fulfillment of planned assignments for procuring agricultural products, the insurance of their storage and high-quality

processing, expansion of the assortment of food commodities, and the results of the economic activity of the complex.

One of the main tasks of agricultural statistics is all-around improvement of the observation of the development of agricultural production. To this end the 1986 plan envisions comprehensive development of reports on farming, which will provide for analysis of the availability and changes in the planted areas, the utilization of these for various crops, and on-the-spot observation of plowing, planting and harvesting the crops, haying and the procurement of feeds, separating the data for irrigated and for drained land. The reports will make it possible to analyze data concerning the actual harvesting of agricultural crops during 1986. In order to analyze the development of this branch balances will be developed for products of crop growing and mineral fertilizers during 1985. Reporting will be organized for the cultivation of agricultural crops in keeping with intensive technologies that provide for higher and more stable yields. In connection with this data will be developed from the annual report concerning the application of organic and mineral fertilizers to agricultural crops which are cultivated according to these technologies for the 1986 harvest.

In 1986 the statistics of animal husbandry will continue to systematically observe the number of head of livestock, the changes, productivity, expenditure of feeds and so forth.

During the course of the year there is to be comprehensive development of data concerning the fulfillment of the plan for state procurements of various agricultural crops and animal husbandry products as well as the quality of these products. Analysis will be expanded for indicators of the economic and financial activity of the sovkhozes, kolkhozes and interfarm agricultural enterprises, fixed and circulating capital in agriculture, the utilization of technical equipment, mechanization of agricultural work in farming and animal husbandry, electrification of the farms, and the supply of energy for them. As in past years, important work will be done on statistics of labor in agriculture in order to analyze the number of workers employed, labor productivity, wages and so forth. The materials from the annual reports will make it possible to analyze questions of the introduction of scientific organization of the labor of workers, employees and kolkhoz workers, and also the development of the collective contract in agriculture as one of the forms of more complete utilization of production reserves and its increased effectiveness.

For purposes of comprehensive economic analysis of agricultural production, many report data are developed with respect to categories of farms, union and autonomous republics, oblasts, krays and economic regions, with extensive application of the method of grouping farms according to a number of economic markers. Information in addition to the reports will be obtained as a result of a selective investigation of the activity of scientific production associations in agriculture and accounting for the fulfillment of output norms and the condition of norm-setting for labor on kolkhozes and sovkhozes, and also the development of a number of balances.

In 1986 special attention will be devoted to strengthening statistical observation of the development of agriculture in the Nonchernozem Zone of the RSFSR and the course of the implementation of the decree of the CPSU Central Committee and the USSR Council of Ministers, "On Further Development and Increased Effectiveness of Agriculture and Other Branches of the Agroindustrial Complex of the Nonchernozem Zone of the RSFSR During 1986-1990."

The statistics of transportation and communication--an important unit of the country's unified national economic complex--will provide for obtaining data for evaluating the course of the fulfillment of planned assignments for cargo turnover on all kinds of transportation and the overall volume of cargo shipments, singling out the most important of them (anthracite coal, coke, petroleum and petroleum products, ferrous metals, timber materials, mineral fertilizers, grain and so forth), and also the transportation of passengers and communications services. Taking into account the large role of regions of Siberia and the Far East and especially the Western Siberian complex in the development of the country's economy, in 1986 there will be deeper analysis of the development of pipeline transportation--the fulfillment of planned assignments for pumping and the cargo turnover of petroleum and petroleum products, the delivery of gas, and also the operation of the Baykal-Amur Main Railroad line.

The course of the fulfillment of planning indicators by rail, sea, river, automotive and air transportation will be analyzed in coordination with the indicators of the availability and utilization of the fleet of means of transportation, the number of workers and employees, labor productivity for shipments, and so forth. Certain data concerning the results of the economic and financial activity of enterprises and organizations in transportation as well as the introduction of scientific and brigade forms of organization of labor will be developed. As in past years, the reports on many indicators of the corresponding kinds of transportation are being developed for the various ministries, railroads, steamship lines, union republics and other administrative territories.

The 1986 plan earmarks carrying out a large volume of work on statistics of capital construction, whose task consists in systematic observance of the course of the implementation of the country's construction program and the startup of fixed production capital and production capacities in the various branches of the national economy in order to develop public production and solve social problems and to increase the effectiveness of construction on the basis of acceleration of scientific and technical progress. Current and annual reports developed for the various branches of the national economy, ministries, departments, union republic and territorial production complexes characterize the fulfillment of planned assignments for the startup of production objects and capacities. Here special attention is being devoted to analyzing the reports on objects that are of primary state importance, startup objects for 1986 and those that are earmarked to be started up in 1987, and also the course of capital construction for the various branches that are included in the agroindustrial complex and provide for the fulfillment of assignments in the Food Program.

In the development reports and the analysis of data from them what will come to the fore will be questions of the main areas for capital investments in the construction of facilities that provide for scientific and technical progress, reconstruction and technical reequipment of existing enterprises, a reduction of the time periods for construction, and concentration and specialization of construction production. There is to be systematic development of data concerning the fulfillment of planned assignments in housing construction and also the construction of general educational schools, preschool institutions, hospitals and other cultural and domestic institutions.

As before, the reports will make it possible to analyze the development of the material and technical base of construction organization and questions of the utilization of fixed capital in construction and the observance of limits on material expenditures and the material-intensiveness of construction and installation work as well as the production activity of planning and research organizations. There will be deeper development of the reports necessary for analyzing the fulfillment of planned assignments for the number of workers in the branch, those workers employed in construction and installation work, the wage fund, the fulfillment of output norms and the condition of norm setting for labor, and also the work of cost-accounting brigades in construction. The reports provide for analysis of the results of the economic activity of construction organizations, the production cost of construction and installation work in the various contracting organizations, and work performed by the internal economic method.

Current reports will be augmented with materials from a number of other reports and investigations under special programs. Important information for solving practical problems in the area of construction will be provided by reports on production sites that are prepared for the installation of equipment at enterprises under construction and those that are in operation. Selective investigations will be conducted: of organizations that are constructing facilities according to plans and estimates that have been coordinated between the client and the contractor with release in a condition of a complete readiness; construction on the kolkhozes and sovkhozes of garden types of houses with outbuildings; the application of new standard plans in housing construction; and intrashift losses of working time in construction organizations. It is intended to inventory the construction projects for production purposes and individual kinds of nonproduction purposes. An important source of information will be the investigation of the economic effectiveness of capital investments in new construction, expansion, reconstruction and technical reequipment at enterprises and facilities of industry and agriculture.

An important place in the complex of work of the USSR Central Statistical Administration for 1986 is assigned to statistics of material and technical supply, whose main tasks consist in analyzing the fulfillment of planned assignments for supply, the utilization of raw and processed material resources and the circulation of means of production in the national economy. In light of the points made at the June (1985) Conference of the CPSU Central Committee regarding questions of accelerating scientific and technical progress, it is intended to step up statistical observation and analysis of the effectiveness of the fuel and energy complex--improvement of the structure

of the fuel and energy balance, all-around strengthening of conditions for economy, and more extensive utilization of secondary energy resources. The statistical work envisioned for 1986 will provide for monitoring the course of deliveries to ministries, departments and union republics of a number of the most important kinds of industrial products--metals and items made from them, coal, petroleum, gas, construction and timber materials, machines, equipment and so forth, and also deliveries of a number of kinds of products under cooperative ties. Important information for analyzing the existing resources of a number of kinds of industrial products and their utilization in the branches of the national economy can be obtained from materials of developed balances of the most important kinds of industrial products.

The quarterly and annual reports will be a source of information for analyzing the fulfillment of norms and assignments concerning the average reduction of the expenditure of raw and processed materials and savings on boiler and furnace fuel and thermal and electric energy by the ministries and departments. Lists of the residuals of the most important kinds of industrial products belonging to the consumers, uninstalled equipment and so forth will help to analyze a number of questions of material and technical supply. Inventorying and evaluating the technical condition of production capital in industry as of 1 January 1986 will be important new projects. The need to do this was emphasized at the June (1985) Conference of the CPSU Central Committee concerning the acceleration of scientific and technical progress. Another important new job will be to account for steam and hot water boilers and the thermal energy they produce and the fuel expended as of that date. It is also necessary to emphasize the importance of developing from the data for 1985 a report on fuel and energy balance, whose materials most fully characterize the production of various kinds of energy and their utilization in the national economy.

Important work has been earmarked for 1986 with statistics of natural resources and the environment, which will provide for constant statistical monitoring of the course of the fulfillment of assignments and measures for preventing pollution of the environment, improving the qualitative condition of the water basins and the air, and providing for comprehensive utilization of natural resources. An analysis of the corresponding report data developed for the various union republics, ministries and departments in conjunction with data from other branches of statistics and above all with data concerning capital investments used for environmental protection measures will make it possible to characterize their effectiveness.

An important role in the work is assigned to indicators of financial relations in the national economy. In 1986 the consolidated reports of the USSR Ministry of Finance, the USSR Gosbank and other ministries and departments will provide for observing the fulfillment of the USSR State Budget with respect to the main items of incomes and expenditures. The developments and the summaries of current bookkeeping and statistical reports will make it possible to analyze the fulfillment of plans for profit from various kinds of economic activity of the enterprises and organizations of the ministries and departments, the condition of internal circulating capital, the composition of economic incentive funds and the unified funds for the development of science and technology, fixed capital, the movement of amortization and charter funds,

nonproductive expenditures and losses, and many other indicators of economic activity. A great deal of attention will be devoted to the statistics of wholesale prices and an analysis of the profitability of a number of the most important items from heavy industry.

A most important section of the plan is composed of work on social issues. The reports and materials from a number of selective investigations will provide for systematic observation of the improvement of public well-being and the development of the socialist way of life, the course of fulfillment of the planning assignments for increasing the incomes of the population and providing them with various goods and services, medical service, the rise of the educational level and advancement of the culture of the population, and improvement of social security and housing conditions.

It is intended to develop a complex of economic information for analyzing the course of the fulfillment of the social program. One should note the crucial nature of the development of data concerning the number of population and the changes in this number throughout the country as a whole as well as in the territorial cross-section, the number of population of working age, and so forth. Current and annual reports will make it possible to have data concerning the natural movement of the population in the country--the birth rate, the death rate, and so forth--and also the migration of the population, which is used for calculating the future number of the population. Basic data will be developed which will elucidate the development of public health, the number of pensioners and the amount of the pensions assigned to them, the development of physical culture and sports. Materials from statistics of the population are utilized extensively when analyzing the course of the fulfillment of many planned assignments for the various branches of the national economy and territories of the country.

Data concerning the availability, composition, and utilization of the labor force, payment for labor and its productivity, as it was last year, will be obtained as a result of developments of current and annual reports of the enterprises and organizations. These materials, above all, make it possible to analyze the course of fulfillment of planned assignments concerning the number (limit) of workers and employees and the wage fund for the various ministries and departments. Along with current observation of the change in the number of workers and employees in 1986, it is intended to develop a report balance of labor resources for 1985 which will make it possible to characterize the number, composition and distribution of labor forces for the various branches of public production, social groups, urban and rural areas, the country as a whole, union republics, economic regions, other administrative territories and branches of the national economy. The material balances will make it possible, in particular, to analyze the number and composition of able-bodied population not employed in public production. In this connection the utilization of the calendar fund of working time by the enterprises and organization will be of great significance. Materials from these balances play an important role in the matter of efficient distribution of labor resources among the various branches of the national economy and regions of the country in keeping with the regular tasks for the development of the economy.

The plan of work for statistics of labor envisions the development of reports on the training of skilled personnel in the system of schools of the USSR Gosprofobr and also increasing the skills of workers and employees at their place of work. For statistics of labor it is difficult to have periodic reports and selective investigations in order to conduct a deeper economic analysis of a number of social processes and phenomena. In 1986 it is intended to gather data this way: concerning the composition of specialists with higher and secondary specialized education in the various branches of the national economy; the certification of workers employed in production branches that was conducted in 1983-1985; results of the work of the ministries and departments for releasing workers as a result of combining occupation, expanding service zones or increasing the volume of work performed. We shall also conduct a report and grouping of workers and employees with respect to the amount of wages during March 1986 for the various union ministries, other administrative territories and also branches of the national economy and industry. The data from these reports will make it possible to analyze the changes in the distribution of workers and employees with respect to the level of their wages.

In keeping with the tasks for implementation of the Comprehensive Program for the Development of the Production of Consumer Goods and the Sphere of Services During 1986-2000, there will be further development of statistics of branches that are directly engaged in service to the population. It is necessary to be a comprehensive statistical investigation of the influence of trade on the formation of the assortment and the improvement of the quality of items that are produced as well as the introduction of progressive forms of service that are convenient for the consumers and the reduction of expenditures of time on the acquisition of goods, the organization of a ramified and effectively operating system of paid services, improvement of their quality, advancement of the art of service and the organization of new kinds of services.

Immediate and also periodic reports will make it possible to systematically analyze data concerning deliveries to retail trade of food and nonfood commodities, the fulfillment of planned assignments for the volume of retail commodity turnover in state and cooperative trade and public catering, and also the sale of a number of products on the kolkhoz markets. In order to analyze the sources of the formation of commodity resources, development will be continued on the balances of the most important kinds of food and nonfood products. A number of work projects are related to the analysis of prices for goods and the change in these as well as the quality of goods. Data concerning the development of the network of trade organizations, the results of their economic activity and so forth will be analyzed.

A considerable volume of work is to be done for the development of reports used to analyze the fulfillment of planning assignments for consumer services to the population as a whole and various kinds of them in the cross-section of the union republics, consumer service ministries and so forth. We shall continue to observe the work of service enterprises that have been changed over to the new system of planning and economic incentives. Important work is being done for the development of report data concerning the country's housing fund, its changes in the various union republics and urban and rural locations, the work of streetcar and trolley passenger transportation, and the

operation of subways and road and municipal businesses. There will be an accounting for housing and housing conditions of the workers in the system of ministries that are included in the country's agroindustrial complex.

The plan for work on the statistics of culture is closely related to questions of the implementation of the reform of general educational and vocational schools--the most important social measure for further development of the socialist way of life and the formation of the new individual. We are improving the observation of the work of general educational schools--their network, their number, the graduation of students, the composition of teachers, and also the work of vocational and technical schools. Reports are being gathered concerning the training of specialists in higher educational institutions and teknikums with various kinds of training. Data are being developed concerning the work of scientific institutions, the number and composition of workers in the various branches of science and the various specialties, and the work of graduate students. The reports that are being developed will make it possible to step up the work of cultural and educational institutions--clubs, libraries, movies, theaters, museums and so forth.

Among the statistical observations of the social processes it is necessary to emphasize the selective budget investigations of families of workers, employees, kolkhoz workers and also pensioners. The results of a systematic investigation of 62,000 families during the course of a year will make it possible to obtain information about the personal incomes, expenditures and consumption of material goods and services for cultural and domestic purposes. The importance and the uniqueness of this information consists in that it characterizes changes in the material well-being and the cultural and domestic level of various types of families, depending on the number of members in the family, their age and sex composition, their employment in public production, personal incomes and other indicators, and also the influence of social measures that have been conducted in the country on these changes. The questionnaires of families in keeping with special programs will also make it possible to study the opinion of the population concerning the quality of goods acquired in trade and services that are offered.

The need for a more effective comprehensive analysis of data concerning the social and economic development of the USSR sets new tasks for the statistics of foreign countries and foreign economic ties. In 1986, above all, we shall continue the generalization of numerous data from foreign sources and publications and CEMA publications concerning the development of the economies of the socialist and capitalist countries as well as the utilization of these data in the practical work of the USSR Central Statistical Administration. One should especially emphasize the work related to international comparison of the most important value indicators as a development of the national economies of the CEMA countries. A considerable amount of work will be done to analyze data concerning the country's foreign economic ties.

During 1986 most important information will be obtained as a result of the development of the balance of the national economy. Its data which are developed on the basis of the entire complex of materials from branch statistics will make it possible to characterize the entire process and

results of expanded socialist reproduction, the main economic proportions and interconnections in the national economy, and the levels and rates of public production as a whole that have been achieved. We shall also develop a report interbranch balance for the production and distribution of products under the short-term program for 1985, whose data will make it possible to analyze interbranch economic ties more completely and to investigate the branch structure, production outlays and profitability, questions of price setting and other questions for the country as a whole and the union republics. Calculations will be made of the social product and the national income during 1985 as well as preliminary calculations for 1986.

In light of the points made at the June (1985) Conference in the CPSU Central Committee Regarding Questions of Accelerating Scientific and Technical Progress there arises a need to strengthen economic analysis of the developed balance of fixed capital in the national economy in the cross-section of branches and forms of property, the structure of this capsule, the removal and updating of it, especially as a result of reconstruction and technical reequipment of existing enterprises, and the dynamics of output-capital ratio and the capital availability for labor.

In 1986 calculations will be conducted for the national wealth--the most important indicator of the country's economic might, which predetermines expanded reproduction and improvement of national well-being. Among other work projects it is necessary to emphasize the important calculations of indicators of real income of the population as a whole and various social groups, the balance of monetary incomes and expenditures of the population, and also the overall volume of consumption of material goods and services by the population during 1985.

In the work plan for 1986 the branch administrations, divisions and scientific research institutes of the USSR Central Statistical Administration, as usual, devote a great deal of attention to further improvement of the system of indicators and the methodology of state statistics as well as development of scientific research work in this area. The earmarked work projects can be grouped in the following way. First, jobs related to problems of statistical study and economic analysis of the acceleration of scientific and technical progress, intensification of public production and its branches, and the development of individual regions of the country and territorial production complexes. Methods of statistical study and analysis will be developed: of the process of acceleration of the development of the economy; the influence of various factors on the economic effectiveness of public production under the conditions of acceleration of scientific and technical progress; the development of the country's agroindustrial complex; the effectiveness of the updating and utilization of production equipment in industry; the influence of the introduction of new technical equipment on the increase of labor productivity and profit and the reduction of production costs at existing, reconstructed and new enterprises; the economic effectiveness of capital investments at enterprises of industry and agriculture; and the socioeconomic development of the Western Siberian Petroleum and Gas Complex.

Systems of indicators will be developed for study and analysis: of the effectiveness of public production and its intensification; the influence of

scientific and technical progress on the conditions and nature of the labor and life of the Soviet people; and comprehensive development of the sphere of services. It is intended to improve the methodological foundations for drawing up a report balance of the national economy; to develop a methodology for compiling the report physical and value balance of equipment; and to improve the methodology for calculating the balance of labor resources in the territorial cross-section. It is especially necessary to emphasize methodological work related to the preparation and conducting of the trial census of the population in 1986 for purposes of checking the drafts of the basic program-methodological and organizational provisions for the forthcoming all-union census in 1989.

A large amount of work is to be done in connection with further reducing and simplifying statistical reports, eliminating indicators that have lost their significance and at the same time introducing into the reports new indicators that apply to modern requirements of management, planning and economic analysis of business activity. As we know, a large amount of work was done in this area by statistical agencies in conjunction with the ministries and departments in 1984 and 1985. This important work will be continued when revising the annual report for 1986 and the periodic report for 1987.

Important methodological work should be done in keeping with the plan of the Permanent CEMA Commission for Cooperation in the Area of Statistics. The goal of this work is to assist in all ways in the implementation of the comprehensive program for socialist economic integration, especially with respect to the development of systems of statistical indicators: agroindustrial complexes in the countries; mechanization and automation of labor. Methodological developments will be continued for the special-purpose list of industrial and agricultural products and optimization of the number of representative commodities in connection with the periodic international compilations of statistical data concerning the development of the economies of the socialist countries.

In 1986 the Soyuzmashinform and the VNIPRIuchet, with the participation of administrations and divisions of the USSR Central Statistical Administration, intends to do a large amount of scientific research and organizational work for further development of the ASGS, in keeping with the plans developed in this area for 1986-1990 and the period up to the year 2000. A comprehensive automation and mechanization of the gathering and processing of information at the present time is one of the most important conditions for further increasing the effectiveness of the work of state statistical agencies and the effectiveness and results of economic analysis. In 1986 the work will be continued for the development of the functional branch subsystems of the ASGS, databanks and systems for teleprocessing of statistical information as well as the development of interactions between the ASGS and the ASPR and the ASU of the ministries and departments. Along with the improvement of existing complexes, it is intended to create 25 new complexes for electronic processing of information. There will be all-around development of the system of operational information reference service of the USSR Central Statistical Administration.

The entire complex of work earmarked by the USSR Central Statistical Administration for 1986 will provide for carrying out the new tasks facing state statistics agencies under the conditions of resolving the large national economic problems for accelerating scientific and technical progress and increasing the effectiveness of the development of the national economy.

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Legal-Organizational Problems

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[Article by S. Mayevskiy, candidate of legal sciences: "Important and Urgent Matter: Legal-Organizational Problems in the Acceleration of Scientific-Technical Progress"]

[Text] In the drafts of the new edition of the CPSU Program and the Basic Directions for the Economic and Social Development of the USSR in 1986-1990 and the Period Until the Year 1990, which drafts were brought out for broad discussion by the Communist Party members and the workers of our country, it is noted that a key question in the party's economic policy is the fundamental acceleration of scientific-technical progress. An important role in this matter belongs to legal-organizational questions, especially under the new management conditions.

Beginning with the plan for 1986, the USSR ministries and departments and the Councils of Ministers of the union republics are forbidden from assigning to associations (enterprises) as indicators to be approved any indicators that have not been stipulated by the new management conditions. The results of the economic activity and the extent of incentive funds are made dependent upon the fulfillment of the pledges with regard to deliveries of output in conformity with the concluded contracts. There has been an expansion of the capabilities of the enterprises operating under the new conditions, for remodeling and technical re-equipping at the expense of the funds for the development of production, and the production of high-quality output. Steps have also been stipulated for improving their financing and the providing of credit to them, and for expanding their rights in the area of the use of the wage and material-incentive funds.

Practical life has shown that the directions in the widescale economic experiment were defined correctly. However, it was not possible to resolve all the questions. Decree No. 669 of CPSU Central Committee and USSR Council of Minister, dated 12 July 1985, entitled "The Broad Extension of the New Management Methods and the Intensification of Their Effect Upon the Acceleration of Scientific-Technical Progress," has provided for additional measures in this direction. In particular, for the more complete accounting

of the operations for the creation of new technology, when evaluating the final results of the economic activity of the production associations (enterprises), and for purposes of increasing their responsibility and self-interestedness in the prompt carrying out of those operations, it has been established that, starting in 1986, production associations (enterprises) will include in the volume of the output to be sold the value of the operations for the production assimilation of new technology, which operations have been paid for at the expense of the funds allocated to them from the single fund for the development of science and technology. Nonfulfillment of the assignments stipulated by the plan for the production assimilation of articles of new technology which are to be financed at the expense of the funds that were indicated is taken into consideration when evaluating the fulfillment of the plan for the sale of output, proceeding from the pledges pertaining to deliveries in conformity with the concluded contracts (work orders).

The draft of the Basic Directions stipulates the improvement of the organizational structure of administration and, in particular, the refinement of the functions and structure of the ministries and departments with a consideration of the introduction of the new management methods and the expansion of the rights of the associations and enterprises. It would seem that in this document it is necessary especially to emphasize that the branch ministries first of all must concentrate their attention on the high-priority, long-term directions in scientific-technical progress, and the widespread use of scientific achievements in order to raise the technical level of production and to improve the quality of the output being produced.

A factor that would appear to be extremely important for the acceleration of scientific-technical progress in the branches of the national economy is the reorganization of administration, which reorganization is currently being carried out in machine-building. The reorganization stipulates the consolidation of the production and scientific-production associations and the gradual changeover to a two-stage system of administration: from ministry to association (enterprise). This has also found its expression in the draft of the Basic Directions.

It is planned to reinforce the leading functional subdivisions of the ministries, and to create, whenever necessary (as a result of the elimination of the VPO [all-union industrial associations]), main production administrations for the guidance of independent enterprises in certain subbranches and for the carrying out of a single production and scientific-technical policy.

Steps are being taken to intensify the integration of branch science and production on the basis of the creation of new scientific-production associations and the improvement of the structure of the existing ones; the inclusion in them, as well as in the composition of the production associations, of the greater part of the scientific-research, design, and technological organizations; and the reduction of the number of these organizations that are directly subordinate to ministries.

In order to accelerate the work in those areas of scientific-technical progress which are of greatest importance for the development and technical

re-equipping of all branches of the economy, it has been deemed necessary to develop the scientific-production and production associations, to reinforce their scientific-technical subdivisions, and to create interbranch associations, which have been called upon to accelerate the resolution of scientific-technical and economic tasks. Their makeup includes enterprises and organizations of the machine-building and other ministries.

Experience shows us that practically all the scientific-technical problems that are most important for the national economy require, under present-day conditions, the participation of various branches in their resolution. This is explained by the need to create interbranch agencies for the administration of large-sized national-economic complexes. The first step in this direction has been taken. The Machine-Building Bureau of USSR Council of Ministers has been created as a permanently operating agency of the USSR government. The most important tasks of that bureau are the administration of the machine-building complex; the raising of the level of coordination of the work performed by the branches of machine-building; the conversion of machine-building production into a highly developed base for technical progress; the carrying out of a single scientific-technical policy; and the further development of cooperation in the field of machine-building with the CEMA member countries. The USSR Council of Ministers Machine-Building Bureau has been granted the right, within the confines of its competency, to issue governmental orders that are mandatory for execution by ministries and departments, to consider the drafts of the annual and five-year plans, and, in the established procedure, to redistribute the material resources that are needed for the fulfillment of the planned assignments.

The steps for improving administration are being carried out first of all in the area of machine-building. This is influenced by its key role in the national economy as the base for technical progress in all branches of production. While promoting the acceleration of scientific-technical progress in the machine-building branches themselves, these steps, undoubtedly, will also exert a positive influence upon the development of other branches of the national economy and upon the entire national-economic complex.

Something that is of fundamental importance for the acceleration of scientific-technical progress is the improvement of the planning of the development of science and technology and the introduction of scientific-technical achievements into production. This is one of the chief directions for guaranteeing the organic combination of the achievements of the modern scientific-technical revolution with the advantages of the socialist system of economy.

In conformity with Decree No. 669, of CPSU Central Committee and USSR Council of Ministers, dated 12 June 1985, USSR Gosplan, USSR ministries and departments, and the Councils of Ministers of the union republics, when preparing the drafts for the plans, are obliged to proceed from the premise that the indicators for the acceleration of scientific-technical progress must be an organic part of all the sections of the state plan, and must become the basis for that plan, having in mind the guaranteeing of the changeover to fundamentally new technology and technological systems for the attainment of

the highest effectiveness of production and the re-equipping of all branches of the national economy.

The draft of the Basic Directions has stipulated the carrying out of the necessary steps to assure that the plan assignments are based on the achievements of scientific-technical progress and guarantee the development of each branch on the basis of the broad application of new technology and technological schemes. The raising of the scientific level of planning presupposes the improvement of the system of planned indicators, and the intensification of their directedness toward the final national-economic results. It is necessary to increase the importance of the indicators that reflect the effectiveness of the use of the labor, material, and financial resources, and the quality and scope of renovation of output.

An important form of planning for the development of science and technology is the use of nationwide scientific-technical programs, which stipulate the entire cycle of operations linked with the carrying out of scientific research and design developments, and the introduction of their results into production, including the widespread production of new technology. These programs are developed and approved by GKNT [State Committee for Science and Technology], USSR Gosplan, and USSR Academy of Sciences with the participation of the ministries and departments.

The programs play an important role in uniting the efforts of the scientific and design organizations and enterprises, for the purpose of resolving the tasks of the acceleration of scientific-technical progress. The assignments stipulated in them for the carrying out of research and development, as a rule, are fulfilled completely and within the established deadlines. The assignments for the widespread introduction of new technology are the weakest link; they are unfulfilled more often than the others. The principal reason for this is the lack of the necessary production capacities and of various types of resource support. And yet that link requires special attention, since the national-economic and economic effectiveness of the introduction of new technology depends practically entirely upon the scope of its use.

In this connection it would be desirable to isolate from the overall group of questions in the planning of scientific-technical progress the question of widespread introduction and to resolve that question chiefly within the confines of the State Plan for Economic and Social Development (rather than within the confines of the scientific-technical programs). This undoubtedly would promote the raising of the level of working out of the questions of widespread introduction and the responsibility borne by the appropriate agencies for their resolution. This approach will provide the opportunity to delimit more precisely the competency of USSR Gosplan and GKNT, and to define their responsibility in conformity with their capabilities. In particular, GKNT currently does not have at its disposal any levers for issuing orders concerning the appropriate production capacities or concerning various types of resource support. At the same time these capabilities and levers exist for USSR Gosplan, the appropriate USSR ministries, and the Councils of Ministers of the union republics, which are supposed to bear the complete responsibility for the scope of introduction of the new technology and technological schemes.

The draft of the Basic Directions states, "There will be an increase in the role and responsibility of the USSR State Committee for Science and Technology in determining the priority directions for scientific-technical progress; in organizing the development of fundamentally new technology and technological schemes; and in carrying out supervision over the scientific-technical level of the branches, the conformity of production to the best worldwide achievements, and the formation of a network of scientific-research and planning-and-designing organizations." This presupposes the need for the making of the appropriate changes in the Statute Governing the GKNT, which was approved by USSR Council of Ministers in 1966.

As the central agency of state administration, an agency that has been called upon to guarantee, in conformity with the decisions of the party and the government, the formation and carrying out of a single policy in the field of the development of science and technology, a policy aimed at the complete intensification of social production on the basis of the acceleration of scientific-technical progress, the GKNT occupies a special place in the system of the state direction of the development of science and technology.

First, it is an agency of interbranch administration. At the present time the importance of its activity is increasing substantially, inasmuch as most of the present-day most promising directions in the development of science and technology are of an interbranch nature. In our country a system has formed for the separate administration of scientific research projects and technical developments which are carried out within the confines of the institutions of USSR Academy of Sciences, higher educational institutions, and the branch NII [scientific-research institutes] and KB [design bureaus]. The unification of their efforts for the successful resolution of the tasks of accelerating scientific-technical progress is a very important factor in the effectiveness of the use of our country's scientific-technical potential.

Secondly, GKNT has been given definite powers to issue official orders with respect to the ministries and departments, scientific institutions and enterprises, irrespective of the department to which they belong. With the appearance of agencies for administering large-scale national-economic complexes, the competency of which is also of an interbranch nature, there arises the need for a more precise definition of the functions of GKNT.

The increase in the role and responsibility of GKNT in determining the high-priority directions of scientific-technical progress is linked with the need for the intensification of the work to forecast the development of science and technology and especially to develop the long-term Comprehensive Program for Scientific-Technical Progress.

In conformity with decree No. 695 of CPSU Central Committee and USSR Council of Ministers, dated 12 July 1979, entitled "Improving the Planning and Intensifying the Effect of the Economic Mechanism Upon Increasing the Effectiveness of Production and the Quality of Work," GKNT and USSR Academy of Sciences develop a Comprehensive Program for Scientific-Technical Program for a 20-year period (by five-year plans) and submit that program to USSR Council of Ministers and USSR Gosplan no later than two years prior to the next five-year plan, and after five years they make the necessary refinements in it and

prepare it for the new five-year period. This must be reflected in the Statute Governing the GKNT. At the same time it is also necessary to define more precisely the role of the Comprehensive Program as the basic preplanning document in which there must be a substantiation of the high-priority directions in scientific-technical progress.

According to the Statute, GKNT, jointly with USSR Academy of Sciences, develops recommendations concerning the basic directions in the development of science and technology for the long-term period and submits them to USSR Council of Ministers. It would seem that it would be desirable to change this formulation, stipulating the development of the recommendations concerning the high-priority directions for scientific-technical progress. In this form the recommendation concerning the high-priority directions for scientific-technical progress. In this form the recommendationiveness of the use of the scientific and production potential.

Apparently it would be correct, simultaneously with the recommendations concerning the high-priority directions in scientific-technical progress, to determine also a list of the fundamentally new technology and technological schemes in organizing the development of which GKNT must engage.

It would seem that, in order to organize the development of fundamentally new technology and technological schemes, one can use the existing experience of target-program planning with definite corrections that intensify the role of GKNT not only in the planning of scientific-research and design projects, but also in providing them with all types of resources. That would promote increasing the role of GKNT as an agency that has been given the necessary rights and that is responsible in full measure for the status of those developments.

An important task of GKNT continues to be the development of forms for the integration of science and production. Here too a special place must be occupied by the work of monitoring the development of the network of scientific-production associations -- single scientific-production and economic complexes having as part of their makeup scientific-research, design, planning-and-designing, and technological organizations, plants, and start-up, chief-installation, and other structural units. In scientific-production associations, the lead structural unit is the scientific or design organization that is part of the NPO [scientific-production association].

In the draft of the Basic Directions, attention is paid to the need to increase the role of the NPO while guaranteeing the organic unity of their rights and duties.

The activity of these associations is aimed at the creation and introduction into the national economy within the shortest periods of time of the latest models of machinery, equipment, devices, materials, and other industrial articles, progressive technological processes that, when judged by their scientific, technical-economic, and other indicators, correspond to the highest achievements of domestic and foreign science and technology. More than ten years experience in the activity of scientific-production associations (of which there are currently approximately 250 in our country)

has shown the indisputable advantages of this form of organizing the projects for the creation and introduction of new technology. There is a decrease by 34-50 percent in the periods of time needed for the carrying out of these projects, and a substantial increase in their economic effectiveness. At the present time one can state confidently that the expansion of the practice of creating scientific-production associations is a very important factor in the acceleration of scientific-technical progress and the successful conversion of the national economy to methods of intensification.

The organization of NPO makes fundamental changes in the nature of the interrelationships that have formed between science and production. The organizational prerequisites are created for eliminating the gap between the links in the single cycle that goes from scientific research to design developments to the production of new technology, for combining in time individual stages in the process of research, technical developments, and the introduction of new technology for the unification of the efforts of scientists, designers, technologists, and production men within the confines of a single collective.

I feel that it would be desirable to take more decisive steps to reject petty guardianship over scientific-production association on the part of the ministries and all-union industrial associations, and, for that purpose, in particular, to remove from the Statute Governing the Scientific-Production Association (paragraph 113) the instruction that the structure and tables of organization of the association can be approved by the general director of the association only with the authorization of the ministry.

An analysis of the work of the scientific-production associations indicates that the most promising area is to include as part of their makeup -- in addition to the NII, KB, and experimental plants -- enterprises that produce series output. But these scientific-production associations could exert a more effective influence upon the introduction of new technology if their makeup were to include all the enterprises and organizations engaged in the creation and production of articles in one and the same products list. That would make it possible, on the one hand, to concentrate in the scientific-production associations the entire existing scientific, design, technological, and production potential for the creation and production of output in a definite products list. The scientific-production association, in essence, could become an all-union association for the corresponding types of output. On the other hand, there would be an opportunity to eliminate the all-union industrial associations, and to transfer their functions to the mentioned all-union scientific-production associations, and to change over to a two-stage system of administration: from ministry to the All-Union Scientific-Production Association. Obviously, it would be desirable to create these associations first for certain promising types of output for the purpose of accumulating experience (for example, in robotics).

Combining organizational and scientific-technical management, an association of this type will have all the opportunities for achieving its main goal -- providing the national economy with highly effective technology for its entire products list; continuously introducing the latest achievements of science

into the articles being developed; and creating and producing on a broad scale output at the highest world level.

There exist a rather large number of other possibilities of a legal-organizational nature for improving the integration of science and production, and for increasing the effectiveness of the use of our country's scientific-technical potential, which require the attention of the GKNT. In particular, the improvement of the relationship that science at the academies of sciences and the institutions of higher learning has with production could be promoted by the improvement of their contractual relations. Neither the Standard Statute Governing the Procedure for the Concluding of Economic Contracts and the Issuance of Interministerial Work Orders for the Carrying Out of Scientific-Research, Experimental-Design, and Technological Projects (approved by GKNT in 1969), nor the Standard Contract for the carrying out of those projects stipulate any pledges by the customer to introduce the results of the scientific-research work that has been executed or any kind of responsibility for that. The inclusion of the appropriate norms into the statutes and into the contract would undoubtedly promote an increase in the effectiveness of the work performed by the scientific institutions and the introduction of their results into production.

As a result of the decree that has been adopted by CPSU Central Committee and USSR Council of Ministers concerning the creation of interbranch scientific-technical complexes -- which are organizations of a fundamentally new type -- it will be necessary to guarantee a firm legal basis for regulating the interrelationships among the lead scientific institutions that is part of that complex and the enterprises and organizations that are subordinate to other ministries which are required to take part in the work of the complex.

It would seem that the resolution of the legal-organizational questions of improving the administration of scientific-technical progress is an important and urgent matter. As General Secretary of CPSU Central Committee, Comrade M. S. Gorbachev remarked, "without creating new economic and organizational conditions, one cannot accelerate scientific-technical progress properly."

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15-Year Goals

Moscow DENGI I KREDIT in Russian No 1, Jan 86 pp 3-13

[Editorial: "On an Acceleration Course"]

[Text] The October 1985 Plenum of the CPSU Central Committee, having heard the report by General Secretary of the CPSU Central Committee M. S. Gorbachev, considered and approved the drafts of the new edition of the CPSU Program, the amendments to the CPSU Rules, and the Basic Directions for the Economic and Social Development of the USSR in 1986-1990 and for the Period Until the Year 2000. Those are documents of tremendous historical importance. They deal with the program goals and the key questions in the party's general line and its economic strategy, and the forms and methods of working among the masses

at the present-day segment of history, which is extremely complicated and critically important, and also is at a crucial point, both from the domestic and the international point of view.

The draft of the new edition of the Program, the main theoretical and political document of the CPSU, is a very rich arsenal of Marxist-Leninist ideas, the result of the scientific generalization of the historic experience of all generations of Communists and other Soviet citizens. The differentiating peculiarity of the draft is the successive nature of the absolutely fundamental theoretical and political premises on which the party relies in its work. This successiveness is a question of the well-grounded principles and consistency of the party's theory and policy, and the party's faithfulness to Marxism-Leninism. At the same time the consistency and successiveness presuppose the creative development of the party's theory, strategy, and tactics, an innovative search for the key areas in its activity, and an accounting of the changes that have occurred during the quarter of a century after the adoption of the third Program. During those years the Soviet nation has achieved large successes in the development of its productive forces and its economic and social relations, and in the formation of the new man. Time has confirmed the correctness of the party's basic theoretical and political premises. At the same time, the accumulated experience and the scientific interpretation of the changes in the life of our country and on the world scene give the opportunity to define more accurately and more concretely the prospects for the development of Soviet society, and the ways and means of achieving our final goal -- communism. The draft of the new edition of the party's Program is based on the solid foundation of Marxism-Leninism, on a realistic analysis of our country's domestic and international position.

The objective laws underlying the development of society determine the need to have socialism grow into communism. Situations that are inadmissible in this regard are both instances of rushing ahead too fast, and instances of taking too much time to resolve urgent tasks. The third CPSU Program, in its present edition, as is noted in the draft, is a program for the planned and complete improvement of socialism and the further advance of Soviet society toward socialism.

The essence of the party's present-day course is embodied by the concept of the acceleration of our country's social and economic development. That concept forms the basis of the program principles which define the goals and tasks of the activity of the Communist Party, and of the Soviet nation in all spheres of social life.

The task that is advanced by the party for the acceleration of our country's social and economic development requires major shifts, primarily in the decisive sphere of human activity -- the economy. It will be necessary to effect a major turning point toward the intensification of production and to reorient every enterprise, every branch, toward the complete and first-priority use of the qualitative factors of economic growth. It will be necessary to guarantee the changeover to an economy of the highest organization and effectiveness, with completely developed production forces, mature socialist production relations, and a well-adjusted economic mechanism.

By the end of the year 2000 we must achieve a doubling of our country's potential, together with its fundamental qualitative renovation.

A fundamental question in our party's economic strategy is the major acceleration of scientific-technical progress. It will be necessary to carry out the new technical remodeling of the national economy, and on that basis to transform the material-technical base of society, to complete the comprehensive mechanization in all branches of the production and nonproduction sphere, and to take a major step forward toward the automation of production, with a changeover to automatic shops and enterprises and systems of automated control and designing.

The changeover to methods of intensification requires major structural changes in the economy. The national economy must reorganize itself flexibly and promptly in conformity with the progressive shifts in science, technology, technological processes, and in social and individual needs. It will be necessary to develop at higher rates the branches that guarantee scientific-technical progress and the successful resolution of social tasks, and to strive for the optimal correlation between consumption and accumulation, the improvement of the proportions between the production of producer goods and consumer goods, and among the branches of the agroindustrial complex.

The social orientation of the economy will be intensified, and a consistent turn will be taken toward the more complete satisfying of the growing needs of the Soviet nation.

New demands are being made accordingly on investment policy. That policy has been called upon to guarantee the increase in the effectiveness of capital investments and their concentration in the decisive sets, which determine the rapid achievement of the highest national-economic benefit and the balanced development of the economy, and the obtaining of the greatest increase in output and national income per ruble of expenditures. The key role in the carrying of the scientific-technical revolution, in the materialization of the latest achievements of science and technology, is assigned to machine-building. The acceleration of the growth rates in machine-building is the principal direction for development for the long-term period, the basis of scientific-technical progress in all branches of the national economy and of maintaining our country's defense capability at the proper level.

It is necessary to reinforce the potential and carry out a qualitative shift in metallurgy, chemistry, and other branches of heavy industry which produce structural materials. A very important task is the effective development of the fuel and energy complex. The steady satisfaction of our country's growing needs for all types of fuel and energy requires the improvement of the structure of the fuel and energy balance sheet, the accelerated upsurge of nuclear power engineering, the broad use of renewable sources of energy, and the consistent carrying out, in all branches of the economy, of aggressive and purposeful work to economize fuel and energy resources.

An absolutely mandatory condition for our country's social and economic progress is the further reinforcement and increase in the effectiveness of the agroindustrial complex, the complete satisfying of our country's needs for its

output. It will be necessary to complete the changeover of agriculture to an industrial basis; to take steps everywhere to introduce scientific systems for running the economy and intensive technological systems; to improve the use of and increase the fertility of the land; to strive for a significant rise in the harvest yield of all agricultural crops and the productivity of animal husbandry; to reinforce the fodder base; to guarantee the stability of agricultural production; to lessen its dependence upon unfavorable natural and climatic conditions; and to preclude losses of the harvest that has been grown.

In improving our country's single national-economic complex, the party assigns an important role to the technical re-equipping and increasing of the effectiveness of the work performed by all branches of the production infrastructure, systems of electrical, petroleum, and gas supply, communication, and the information support of the national economy. For purposes of the intensification of the economy and the acceleration of scientific-technical progress, it will be necessary to raise substantially the technical-economic level of construction, to convert construction production into a single industrial process, to improve the quality and reduce the cost of designing and construction operations, and to reduce the periods of time required to build projects and assimilate the production capacities.

A necessary prerequisite for the acceleration of the social and economic progress of society is the constant improvement of production relations, the maintaining of their stable conformity to the dynamics of developing productive forces, and the prompt identification and resolution of any nonantagonistic contradictions that arise among them. We shall continue to keep in the center of our attention the reinforcement and multiplication of social ownership of the means of production, as the basis of the economic system of socialism. A large amount of importance is attached to improving the distributive relations, which exert an energetic effect upon the increase in collective and personal self-interestedness, the development of social production, and people's standard of living and way of life. We shall carry out consistently the line aimed at the most effective distribution of the social product and the national income, aimed at assuring that the distributive mechanism is a reliable obstacle to nonlabor income, wage-leveing, and everything that contradicts the norms and principles of socialist society.

A very urgent task is the further development of the exchange relations. It will be necessary to increase the reliability of economic ties; to strive for the dynamic conformity between supply and demand; to improve the circulation of material and monetary resources; and to accelerate the turnover rate of working capital. It is necessary to make more complete use of commodity and monetary relations in conformity with the new content that is inherent in them under socialism; to reinforce the monetary and credit system; to increase the purchasing power of the ruble; to intensify economy measures and monitoring of the quantity and quality of work; and to make more complete and more effective use of the entire arsenal of economic levers and incentives.

The acceleration of our country's social and economic development requires the constant improvement of the management of the national economy, the reliable

and effective functioning of the economic mechanism, the more complete use of various flexible forms and methods of management, and the guaranteeing of their conformity to the changing conditions of economic development and to the nature of the tasks to be resolved.

The entire system of administration must be aimed at increasing the contribution made by each link in the national economy to the attainment of the final goal -- the most complete satisfying of the needs of society, with the least expenditures of all types of resources.

The party deems that it is necessary to increase the effectiveness of planning as an instrument for the implementation of its economic policy. The leading place in the plans must be occupied by the qualitative indicators, which reflect the effectiveness of the use of the resources, the scope of the renovation of the output, and the increase in labor productivity on the basis of the achievements of science and technology. It is necessary in a comprehensive manner to resolve the economic and social tasks, to achieve an organic combination of the long-term five-year, and annual plans, to raise the scientific-technical level of planning, to reinforce planning discipline, to guarantee the priority of the statewide interests, and to take decisive steps to stop any manifestations of a departmental or regional self-interest, bureaucratism, or voluntarism. In all the work of improving the management of the economy, there will be a consistent carrying out of the line aimed at the development of the workers' creative initiative, the more complete involvement of the workers in the process of administering production, and at the increase in the role of the labor collectives in the development of plans and the making of economic decisions, and in carrying out measures involving the social and economic development of the enterprises and the search for and mobilization of internal production reserves.

In the draft of the new edition of the Program, a large amount of attention is devoted to the social sphere. Provision is made for the guaranteeing of a qualitatively new level in the national standard of living, with the consistent carrying out of the socialist principle "from each according to his needs, to each according to his labor"; the bringing of the classes and the social groups and segments closer together; the overcoming of the substantial differences between the city and the countryside, between mental and physical labor; the improvement of national relations; and the reinforcement of the fraternal friendship of all the nations and nationalities in our country.

The CPSU attaches tremendous importance to the reinforcement of the health of Soviet citizens, to the increasing of the duration of their active life, to the intensification of concern for the family, the further improvement of the status of mothers, the material status of veterans of labor and of the war, senior citizens, disabled persons, families of military personnel who have died, and the providing of social, medical and cultural services for them.

The new edition of the Program reflects the basic tendencies of world development and gives an extensive description of the present-day era. By each of its lines, the Program of the Leninist party is aimed at the prevention of war, at the confirmation of peace on earth, and the triumph of the principles of the peaceful coexistence of states with different social

systems. The draft has advanced specific recommendations aimed at the attainment of this noble goal.

The scope, depth, and complexity of the tasks to be resolved, both in domestic and in international policy, as was noted at the October Plenum of the CPSU Central Committee, makes new and high demands on the level of party management, and dictates the need for new approaches to all aspects of party work. This has found its reflection in those amendments that it is planned to introduce into the Party Rules. The meaning of those amendments is, on the one hand, the further expansion of intraparty democracy, the development of the initiative and participation rate of the Communists, all the party organizations, and primarily the primary party organizations, and, on the other hand, the increase in their responsibility for the resolution of common matters. The Rules refine the basic principles of party management of state and social organizations. Each of those organizations has been called upon to carry out its functions in full volume, and the party management of their activity must be of a sharply expressed political nature, and must actively promote the further development of the socialist self-administration of the nation in all links and at all levels.

The principles in the draft of the new edition of the CPSU Program are materialized in the draft of the Basic Directions for the Economic and Social Development of the USSR in 1986-1990 and for the Period Until the Year 2000. That draft, as was noted at the October 1985 Plenum of the CPSU Central Committee, basically conforms to the party's program requirements concerning the acceleration of economic growth and the simultaneous resolution of such strategic tasks as the raising of the national standard of living, the reinforcement of economic potential, and the maintaining of our Motherland's defensive might at the proper level. These goals have a firm foundation under them. Our country, relying upon the advantages of the socialist system, has achieved outstanding successes in all spheres of the life of society. By the labor of generations of Soviet citizens, a mighty economic, scientific-technical, and cultural potential has been created. We have at our disposal highly qualified cadres, a powerful industry, and a large-scale, mechanized agriculture. With regard to many directions in the development of production, science, and technology, the USSR firmly occupies leading positions in the world. There has been a constant rise in the national standard of living, a constant improvement in the socialist way of life, and an increasingly complete realization of the principle of socialist justice. Equal rights, cooperation, and mutual assistance among people, and true democracy have been affirmed.

An important landmark on the path of the progress of Soviet society is the 11th Five-Year Plan. A new, major step has been taken in implementing the party's economic strategy and in raising the standard of living of Soviet citizens, and positive shifts have occurred in the work of practically all the branches. The national income used for consumption and accumulation increased by 17 percent as compared with 1980. Capital investments in the total amount of more than 840 billion rubles were channeled into the development of the national economy, the reinforcement of its material-technical base, and the construction of housing and of projects intended for social and cultural

purposes. More than a thousand new, modern industrial enterprises were activated.

There has been an increase in the work of accelerating scientific-technical progress and carrying out the technical re-equipping and remodeling of existing production. The branches of industry that guarantee the equipping of the national economy with new technology and the application of progressive technological systems have developed at outstripping rates. There has been an increase in the contribution made by Soviet science to the development of the national economy.

Positive shifts were achieved in the intensification of production and in the increasing of its effectiveness. Almost 90 percent of the increase in national income was obtained by means of the increase in the productivity of social labor. Material resources have begun to be used more economically, and the losses of work time have been reduced.

A branch that has received further development is the leading branch of the Soviet economy -- industry -- the output of which increased during the five-year period by 20 percent. The production of consumer goods (Group B) increased more rapidly than the production of producer goods.

The USSR Energy Program is being implemented. There has been accelerated development of nuclear power engineering, the share of which is one-tenth of the total amount of electrical energy being produced. Our country has taken first place in the world for gas production.

There has been a consistent implementation of our party's agrarian policy and a similar carrying out of the USSR Food Program. The material-technical base of the kolkhozes and sovkhozes and the entire agroindustrial complex has continued to be strengthened; one-third of the total volume of capital investments has been channeled into this.

On the basis of the rise of the economy and the increase of its effectiveness, there has been a rise in the material and cultural standard of living. The real income per capita of population increased by 11 percent. Pensions paid to workers, employees, and kolkhoz members have increased, the governmental aid paid to families having children and to working mothers has been expanded, and other social measures have been carried out.

The public's needs for commodities and services have begun to be satisfied more completely. Retail commodity turnover has increased by 16 percent.

A major step has been taken to resolve the housing problem, and the medical services and recreational conditions for the public have been improved. Broad measures for the protection of the environment have been carried out.

In our country's single national-economic complex the economy has become stronger, the economic ties among the union republic have deepened, and there has been an increase in the contribution made by each of them to the resolution of nationwide tasks. The placement of the productive forces has been improved in a planned manner. The natural wealth of the eastern and

northern areas has been assimilated at an accelerated rate, and those areas have taken on decisive importance in providing our country with fuel and mineral raw materials. West Siberia currently provides for two-thirds of the country's total extraction of petroleum and more than half the gas.

Measures that were of great importance were the measures for improving administration and the economic mechanism and for reinforcing discipline and organizational spirit in all links of the national economy.

In carrying out the party's economic policy, there has been an increase in the role of the Soviets of People's Deputies, trade unions, and the Komsomol. The participation of the workers in administration has increased, and the USSR Law Governing Labor Collectives has been adopted and is being implemented. The organization of the socialist competition has improved, and there has been an intensification of its directedness at the improvement of the qualitative indicators.

Our country's economy has engaged even more energetically in the system of international socialist division of labor. There has been a considerable expansion and strengthening of the cooperation that the Soviet Union has with the CEMA member countries and the other socialist countries, and a reinforcement of socialist economic integration.

On the whole, thanks to the high rate of political and labor participation of the nation and the large amount of organizing work carried out by the party, Soviet, trade union, and economic agencies, our country has achieved considerable successes in economic and social development, and is creation of a solid base for further movement ahead in all directions of social progress.

The draft of the Basic Directions reveals the up very important tasks in our country's economic and social development and the basic paths for resolving them in the 12th Five-Year Plan and the period until the year 2000.

The fifteen-year period that our country is entering is a major historic period on the path of the improvement of socialism and the carrying out of the program goals of the CPSU. The highest goal of the party's economic strategy, the draft emphasizes, has been and continues to be the steady rise in the material cultural standard of living. The implementation of this goal in the forthcoming period requires the acceleration of social and economic development, and the complete intensification and increase in the effectiveness of production on the basis of scientific-technical progress.

For the successful resolution of this time it will be necessary to raise the productive forces to a qualitatively new level and to guarantee the corresponding development of production relations; to achieve the fundamental acceleration of scientific-technical progress; to guarantee the rapid movement forward in the strategically important areas of the economy and the structural reorganization of production; and to create a production potential that is equal in scope to that which has been accumulated during all the previous years.

Within the forthcoming period it is planned to guarantee the further rise in the national standard of living, profound changes in the sphere of labor, and in the material and spiritual living conditions for people.

It is planned to intensify the social orientation of the development of the economy, the directedness of state and social activity as a whole toward the resolution of tasks that are linked with the raising of the national standard of living, with the creation of better conditions for the harmonious development of the individual, and with the reinforcement of the socialist way of life, and toward the development of the initiative of the Soviet individual in his capacity as the owner of the country, worker, and citizen.

It is planned to carry out a broad program of social development, and to double the volume of resources channeled into the raising of the national standard of living. The real income per capita of population during the 15 years will increase by a factor of 1.6-1.8.

A large amount of importance is attached to guaranteeing the more complete satisfying of the needs of Soviet citizens for various kinds of high-quality commodities and services. In the foreseeable future it is planned to achieve or to come significantly close to the level of the scientifically substantiated norms for consumption of food products and the basic nonedible commodities. For these purposes it is planned to increase the volume of retail commodity turnover in state and cooperative trade by a factor of approximately 1.8, and to create a highly developed service industry.

Consistent steps will be taken to resolve a very important social task -- the providing of practically every family with a separate apartment or an individual home. During the three five-year plans it is planned to activate housing with a total area of no less than 2 billion square meters.

We shall see a continuation of the line aimed at the accelerated growth of the social consumption funds, the volume of which will approximately double. On that basis there will be an expansion of the state assistance to families having children and to young families, and an improvement in social security. A system of steps will be carried out to improve the health of Soviet citizens, to improve the quality of medical services, to improve the protection of the environment, and to develop education and culture. Conditions will be created for increasing and making more efficient use of the workers' free time.

The basis for the rise in the national standard of living is the rise in the economy and the increase in its effectiveness. In the long-term period it is planned to complete the changeover of production to the chiefly intensive path of development, to achieve a fundamental increase in the productivity of social labor, and on that basis to accelerate the rates of economic growth. During the three five-year periods the national increase will almost double. Moreover, the entire increase in the national income and the output of all the branches of material production must be provided entirely by means of the increase in labor productivity, which will increase by a factor of 2.3-2.5,

and thus a decisive step will be taken in carrying out the program task of achieving the highest world level for this indicator.

Very great importance is attached to the consistent reinforcement of economy measures as being one of the most important factors for the intensification of production, and to the conversion of resource savings into a decisive source for satisfying the increase in the needs of the national economy for fuel, energy, and raw and other materials. On that basis it is planned to reduce the energy-intensity of the national income by a factor of no less than 1.43, and metal-intensify by a factor of almost 2.

The branches and production entities that determine scientific-technical progress will develop at outstripping rates, and there will be profound qualitative changes in metallurgy, the chemical industry, and other branches that produce building materials. One of the tasks posed is the consistent reinforcement of the agroindustrial complex, and its conversion into a highly developed sector of the economy.

There will be a considerable rise in the technical level of the production of consumer goods, and the services and trade industry. It is planned to carry out the Comprehensive Program for the Development of the Production of Consumer Goods and the Services Sphere. During the 15-year period there will be an increase in the production of nonedible commodities by a factor of no less than 1.8-1.9, and the volume of services rendered to by the public by a factor of 2.1-2.3.

In the long-term period it is planned to continue to assure the further prosperity and bringing closer together of the nations and nationalities, and the harmonious economic and social development of all the union republic. It is planned to work steadily to build up their material and spiritual potential, to intensify the comprehensive nature of the development and specialization of the economic entities in the republic and the economic regions, and to increase their contribution to the reinforcement of our country's single national-economic complex.

The Basic Directions plan the development, on a mutually advantageous basis, of economic-trade, scientific-technical, and cultural ties with foreign countries, and the more complete use of the advantage of the international division of labor, primarily with the countries in the socialist community.

The carrying out of the tasks posed by the party for the long-term period will make it possible to raise Soviet society to a higher level of economic and social progress. The USSR will entire the third millenium as an even mightier, more highly developed power, and by its achievements will exert an ever-growing progressive influence upon the course of world development.

In the implementation of the strategic tasks of the forthcoming 15-year period, a very important role belongs to the 12th Five-Year Plan. It must become the crucial one in all areas of our country's economic and social development.

The chief task of the 12th Five-Year Plan consists in increasing the rates and effectiveness of the development of the economy on the basis of the acceleration of scientific-technical progress, the technical re-equipping and remodeling of production, the intensive use of the created production potential, and the improvement of the system of administration and the economic mechanism, and in the achievement, on that basis, of a further rise in the standard of living of the Soviet nation.

For the 12th Five-Year Plan, high rates of development are planned for the national economy and all its most important branches. The national income used for consumption and accumulation will increase by 19-22 percent, with its entire increase being provided by the increase in labor productivity. It is planned to reduce the materials-intensity of the national economy by 4-5 percent; energy-intensity by 7-9 percent; and metal-intensity by 13-15 percent. The production of industrial output will rise by 21-24 percent, including producer goods (Group A) by 20-23 percent and consumer goods (Group B) by 22-25 percent.

It is planned to provide, on a first-priority basis, the fundamental remodeling and outstripping development of the machine-building complex, and primarily its base branches -- machine-tool building, the production of computer technology, instrument building, and electrical engineering and electronics, in order to carry out within short periods of time the re-equipping of the national economy on a new technical basis. There will be a substantial increase in the volume of capital investments channeled into the development of that complex. The production of output of machine building and metal working will increase by 40-45 percent.

It is planned to carry out a program of technical remodeling and modernization in metallurgy. The rates of chemicalization and electrification of the national economy will be accelerated.

One of the most important tasks of the forthcoming five-year plan is the consistent carrying out of the Comprehensive Program for the Development of the Production of Consumer Goods and the Services Sphere. The production of nonedible commodities in the forthcoming five-year period will increase by a factor of no less than 1.3, and the volume of paid services for the public, 1.3-1.4. Light industry will receive further development, and the production of commodities intended for cultural, everyday, sport, and cultural purposes will grow at outstripping rates. The further development and increase in the effectiveness of the services sphere will be of special importance. It is planned to involve industrial, construction, transportation, and other enterprises and organizations broadly in the expansion of personal and other services provided to their workers and the local population.

On the basis of the implementation of the Food Program, the average annual volume of gross output of agriculture will increase by 14-16 percent. It is planned that the gross harvest of grain in 1990 will be increased to 250-255 million tons, and cotton fiber to 2.8-3 million tons. The production of meat (in slaughtered weight) will be increased to 21 million tons; milk, to 106-110 million tons; and eggs, to 80-82 billion.

In order to guarantee the normal functioning of the economy, it is planned to carry out a series of measures to develop all types of transport and communication.

An important role in the resolution of the tasks that have been assigned is given to capital construction. Capital investments in the national economy will increase by 18-21 percent, and the volume of contract operations by 15-16 percent. It is also planned to channel capital investments primarily into the remodeling and technical re-equipping of the existing enterprises. It will be necessary to achieve a major turning point in the intensification of production on the basis of the broad use of the achievements of science and technology, the carrying out of progressive shifts in the structure and organization of production, and the increase in labor, technological, and state discipline.

In the 12th Five-Year Plan it is planned to carry out a broad social program for raising the national standard of living. There will be a consistent rise in the level of the structure of consumption, and an improvement in that structure, and an improvement in the manner which the public is provided with food products and inedible commodities. The volume of retail commodity turnover during the five-year plan will be increased by 18-22 percent. The average monthly earnings of the workers and employees will be increased by 13-15 percent, or to 215-220 rubles, and the payment for the labor performed by kolkhoz members, by 18-20 percent. It is planned to carry out consistently a policy of retail prices in conformity with the tasks for raising the national standard of living and the public's real income.

The problem of providing of children with preschool institutions will be basically resolved, and the conditions for indoctrinating children there will be improved. The system of pension security will be further developed.

The housing conditions for Soviet citizens will improve. During the five-year period apartment buildings with a total area of 565-570 million square meters will be built and there will be a considerable expansion of the capabilities for improving the workers' housing conditions by drawing on the money in the housing construction fund and the fund for social and cultural measures, which are formed in conformity with the labor contribution made by the collectives at the associations, enterprises, and organizations.

A new major step will be taken in improving the protection of the health and recreational conditions for the public, the development of public health, and the intensification of its preventive orientation, the improvement in the quality of medical services, and the changeover to annual dispensary treatment for the entire population.

Major steps will be carried out to protect the environment and to assure the efficient use of natural resources, and the effectiveness of those measures will be increased.

It will be necessary to guarantee the further improvement of the entire economic mechanism and to create an integral system of management and

administration which guarantees the organic unity and effective interaction of planning, economic levers and incentives, and the organizational structures of administration. This system must be aimed at the decisive changeover to the use of the intensive factors in the development of production, the acceleration of scientific-technical progress, and the most complete satisfying of social needs.

It is planned to increase the effectiveness of the economic levers and incentives, to intensify the role of economic methods of administration, and to reinforce cost accountability in all links of production.

Interrelationships of cost accountability among all production links will be constructed, to a greater and greater degree, on the basis of the assignments of the five-year plan and the established economic norms, which coordinate the extent of the funds to be left at the disposal of the associations and enterprises with the results of their work.

It is planned to increase the role of accounting, statistics, and monitoring in guaranteeing the efficient and economical use of resources, in intensifying the struggle against poor business practices and waste and the struggle for the intactness of socialist property, and to improve supervisory and auditing work.

The organizational structure of administration at all its levels and in all links of the national economy will improve. It is planned to increase the effectiveness of the work of the administrative apparatus, and to guarantee the more precise delimitation of the rights and duties among the administrative agencies; the abolition of extraneous links; the elimination of duplication and parallelism in work; the improvement of the organization and technical equipping of administrative labor; and the increase in the role and responsibility of the administrative agencies in the union and autonomous republics and the local agencies in the administration of economic and social-cultural construction.

The entire system of training cadres of economic managers and specialists, especially in the higher and middle links, must be raised to a new level.

The scope of the program being advanced by the CPSU for the acceleration of our country's economic and social development is tremendous. The implementation of the Basic Directions will require the application of major efforts by the party and the working class, the kolkhoz peasantry, and the labor intellectuals.

The main thing now is assuring that, in conformity with the decisions of the April 1985 Plenum of the CPSU Central Committee, we can achieve a major turning point in our work and in all spheres of economic activity, can achieve higher goals with the smallest expenditures, and can use, to the maximum degree, everything that our country has at its disposal -- the powerful

economic and scientific-technical potential that has been created, and all the available reserves and resources.

The task that is posed is to put completely into action, first of all, what the chief and essentially inexhaustible reserve -- the human factor, and to increase its role in guaranteeing high organizational spirit, discipline, and order. It is important to work persistently to inculcate a businesslike attitude in the cadres, to reorganize people's economic thought processes and psychological frame of mind into working by the new method, and to increase the responsibility for the assigned job.

The basic directions for economic and social development are a concrete program of actions for the workers and for all the Soviet citizens. They are a party direction for reinforcing our country's economic might, for resolving the urgent, large-scale scientific-technical and economic tasks in the interests of the further rise in the national standard of living and the complete development of our society.

The CPSU Central Committee has expressed its firm conviction that the goals that the party has set for the 12th Five-Year Plan and for the period until the year 2000 will be achieved. As a result, we shall see the even more complete revelation of the creative forces of socialism, and our Soviet Motherland will become richer and more powerful. The guarantee of this is the selfless labor of Soviet citizens, the indissoluble unity of the party and the nation.

The party's strategic course that is aimed at the acceleration of our country's social and economic development, a course, that has been set down by the drafts of the new edition of the CPSU Central Committee and the Basic Directions for the Development of the National Economy of the USSR in 1986-1990 and for the Period Until the Year 2000, also defines very important directions for the activity of the USSR Gosbank system.

At the present time in all the bank subdivisions there is in progress a creative, businesslike discussion of the party's precongress documents, and the development of measures for fulfilling the complicated and vast tasks that evolve from them. The collectives in the bank institutions are concentrating their attention on increasing the role of money and credit as important economic levers in the system of the planned administration of the economy and in guaranteeing their continuous and well coordinated functioning in strict conformity with the requirements of cost accountability, in close interaction with the other elements of the economic mechanism. Recommendations are being made concerning the need for the more energetic application of the monetary and credit mechanism for achieving better final results in management, for accelerating scientific-technical progress, for improving the quality of output, for guaranteeing the taking of all steps to economize on all resources, and for increasing the production of consumer goods and the rendering of services to the public. Another task that is being posed is the

task of raising the level of the theoretical developments in the field of money and credit.

The workers in the State Bank system will apply all their efforts, knowledge, and experience, will make a worthy contribution to the common cause of reinforcing our country's economy, and will meet our party's 27th Congress with new labor successes.

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State Budget

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[Article by V. V. Dementsev, First Deputy USSR Minister of Finance: "The State Budget in the Resolution of the Social and Economic Tasks of the First Year of the Five-Year Plan"]

[Text] Events of great political importance were the session of the USSR Supreme Soviet which was held in November 1985 and the statements made at that session by General Secretary of the CPSU Central Committee M. S. Gorbachev on the fundamental problems of our country's social and economic development and of international life. The session considered and approved the State Plan for the Economic and Social Development of the USSR and the USSR State Budget for 1986, the first year of the 12th Five-Year Plan. As was noted on the eve of the session in a decision by the Politburo of the CPSU Central Committee, the indicators of the plan and the budget, on the basis of their well-principled orientation, correspond to the party's strategic course, which is aimed at the acceleration of our country's social and economic development and to the requirements stated in the drafts of the new edition of the CPSU Program and the Basic Directions for the Development of the National Economy of the USSR in 1986-1990 and for the Period Until the Year 2000.

At the session of the Supreme Soviet one saw revealed once again the peaceful, creative nature of our plans, and there was a convincing revelation of the close interrelationship between the domestic and foreign policy of the Communist Party and the Soviet state. The USSR Supreme Soviet considered the results of the Soviet-American summit meeting that had taken place in Geneva and completely approved the activity of M. S. Gorbachev in the struggle for peace.

The year that has passed was marked by a powerful political and labor upsurge of the workers, which was caused by the forthcoming 27th CPSU Congress. An important landmark in the preparation for the congress was the October 1985 Plenum of the CPSU Central Committee. The drafts of the new edition of the party Program, the amendments to the CPSU Rules, and the Basic Directions for the Economic and Social Development of the USSR in 1986-1990 and for the Period Until the Year 2000 were presented for partywide and nationwide discussion. In those documents of tremendous political importance one sees the substantiation of the well-extended concept of the acceleration of social and economic development on the basis of scientific-technical progress, the

concentration of our party's economic strategy, and its general line that is aimed at the attainment of a new qualitative state in Soviet society.

The program goals with which the party is approaching the congress conform to the fundamental interests of every Soviet citizen. Therefore they are perceived throughout the country with tremendous enthusiasm and receive nationwide approval.

In 1985 questions that were put at the center of economic-organizing activity were the questions of the practical implementation of the line aimed at the intensification of the economy, the acceleration of scientific-technical progress, the intensification of economy measures, and the improvement of administration. Thanks to the consistent and persistent work of the party, Soviet, and economic agencies to accelerate the social and economic development and thanks to the broadly extended socialist competition, new successes were achieved in raising our country's economy and raising the national standard of living. Industry developed at a more dynamic rate, and the work of transport and other branches of the national economy improved. The production of industrial output increased during the year by more than 30 billion rubles and came to 808 billion rubles.

It is important that the qualitative indicators rose and the use of the labor, material, and financial resources improved. The labor of 3.7 million persons was saved by means of the increase in the productivity of social labor. There was a reduction in the materials-intensity of the social product, and that yielded a saving of approximately 3 billion rubles. Profits as a whole for the national economy increased and came to approximately 170 billion rubles.

Special attention was devoted to the development of the agroindustrial complex, and to the implementation of the Food Program. At the session of the USSR Supreme Soviet it was noted that positive changes are occurring today in the economy of the agroindustrial complex. Those changes have affected, first of all, the kolkhozes and sovkhozes. The material-technical base and the finances for agriculture have been considerably reinforced and there has been an intensification of the positions of cost accountability in rural areas. The level of profitability of production on kolkhozes and sovkhozes in 1983-1984 came to 18-22 percent. In 1985 the highest volume of gross agricultural output in the 11th Five-Year Plan will be achieved.

On the basis of the increase in social production and its effectiveness, the further rise in the national standard of living was assured. There was an increase in the salaries paid to specialists and employees of sovkhozes and other state agricultural enterprises. In conformity with the reform of the general educational and vocational school system, there was an increase in the payment for the labor performed by teachers and other workers in public education. Additional benefits were granted for payment of wages in agriculture, the timber industry, and for individual categories of medical workers. State aid to families having children was expanded. The material status of a considerable number of pension recipients was improved. In connection with the fortieth anniversary of the Victory in the Great Patriotic War, a number of additional benefits and preferences were established for participants in the war and for the families of military personnel who have

died. All these measures touched upon the interests of millions of people. The government allocated 2.5 billion rubles to carry them out.

Social consumption funds, which give a real guarantee to the public for free education and medical aid, and social security, received further development. The total extent of these funds in 1985 increased by 5.8 billion rubles and came to 146.5 billion rubles.

Last year much was done to expand the production and sale to the public of consumer goods, and to develop the services sphere. The construction of housing was carried out with the outstripping of the assignments for the five-year plan.

The implementation of last year's social and economic tasks was inseparably linked with state finance. The fulfillment of the financial program was subordinate to the more complete mobilization of the in-house reserves, to the intensification of economy measures in the national economy. The country's budget as a whole, and the budgets of the union republics and the local Soviets, rested upon a solid income base and throughout the year were executed steadily. That made it possible to finance promptly all those measures which were carried out in the course of plan fulfillment. The USSR State Budget for 1985 was executed by 100.05 percent for income and by 99.7 percent for expenses.

The positive development of the national economy last year attests to the fact that the available reserves for the increase in the effectiveness of production have begun to be activated in our country.

However, this work was not carried out at a sufficiently energetic or steady rate everywhere. Many enterprises and even individual branches failed to achieve the stable buildup in the production of output or an improvement in its quality. Certain economic managers are still working by the old methods, engaging little in questions of the intensification of labor, and failing to pay the proper attention to the reinforcement of the economy and finance, to the increase in labor productivity and the lowering of production costs, to the increase in profits, or to the improvement of the other economic indicators.

There were also shortcomings in the work of the financial agencies. In a number of places, prompt steps were not taken to mobilize the reserves for fulfilling the plans for state income, and the monitoring of the activity of associations, enterprises, organizations, and institutions was not always sufficiently effective. In a number of instances the recommendations that were made by financial agencies were insufficiently substantiated or insufficiently concrete, and therefore did not yield the desired result.

At the session of the USSR Supreme Soviet, the attention of the USSR ministries and departments, the Councils of Ministers of the union republics, and the associations and enterprises was directed to the need to achieve a sharp rise in the level of economic work, by making complete use for that purpose of all the available capabilities.

The financial agencies are required to take serious steps to improve their economic and supervisory work, to increase the effect upon the growth of the effectiveness of the national economy, to reveal more completely the in-house reserves, and to tighten up the financial supervision of the carrying out, in the outlying areas, of strict economy measures and to assure the intactness of socialist property.

The USSR State Budget for 1986 was elaborated on the basis of the premises enunciated at the April and October 1985 Plenums of the CPSU Central Committee and the decrees of the CPSU Central Committee and the USSR Council of Ministers with regard to national-economic and social questions.

The budget was drawn up in conformity with the plan for economic and social development and provides the monetary means for the state assignments that are stipulated for the current year -- assignments for the further upsurge of the economy, for the raising of the material and cultural standard of living, and for reinforcing our country's defense capability.

The USSR Supreme Soviet approved the 1986 USSR State Budget for income in the amount of 414.5 billion rubles and for expenses in the amount of 414.3 billion rubles, with income exceeding expenses by 0.2 billion rubles.

From the figures that are given below, one can see graphically that the overwhelming part of the budget income -- more than 92 percent -- is formed from receipts from the socialist economy.

	Billions of rubles	
	1985 approved	1986 approved
Proceeds from the socialist economy	360.1	382.0
Payments by the population	31.6	32.5

In 1986, thanks to the overall directedness of the planned assignments toward the intensification of the national economy there has been a noticeable increase in the role of profit in the state's monetary accumulations. On the whole, profit, minus losses, will exceed 188 billion rubles and will increase by 8.9 percent as compared with the previous year.

The distribution of profit (in extended form) with respect to individual measures in the plan is shown by the following figures.

	Billions of rubles
Payments into the budget from current year's profit	109.9
including:	
payment for production assets	40.4
fixed payments	3.2
assessments of free balance of profit	44.4

deductions from profit, and other payments	21.9
State capital investments	7.5
Increase in the norm for own working capital	2.5
Deductions paid into funds -- total	31.3
including:	
material incentive fund	16.5
fund for social and cultural measures and housing construction	6.7
fund for development of production	4.5
Single fund for development of science and technology	5.1
Losses of housing and municipal management, and other planned losses; maintenance of buildings, facilities, structures, gardens, parks, and Pioneer camps	5.2
Deductions for road operations	2.3
Paying off of long-term bank loans and payment of interest for the use of bank credit	9.4

Another important source of income for the budget and of monetary accumulations is the turnover tax. Its receipts in the total amount of 102.6 billion rubles were determined for 1986 on the basis of planned commodity funds, and the qualitative improvement of their structure. Also, proceeding from the measures being carried out in our country for the decisive eradication of drunkenness and alcoholism, there has been a substantial reduction in the production of alcoholic beverages as compared with last year's approved plan: for vodka, liqueur and vodka articles, and cognac -- [a reduction of] more than 20 percent, and for fruit and berry wines, almost 80 percent. The capacities that have been thus freed are being converted to the production of nonalcoholic beverages, food products, and other consumer goods.

The prompt carrying out of these measures is a matter of primary importance for the USSR ministries and departments, the Councils of Ministers of the union republics, and the Soviets of People's Deputies. It is necessary to guarantee the fulfillment by every association and enterprise of the established assignments for the production of consumer goods, for the improvement of their quality, and for the expansion of the variety.

The basic directions in the budget expenses can be seen from the following figures.

	Billions of rubles	
	1985 approved	1986 approved
National economy	222.4	235.7
Social and cultural measures	124.0	131.9
Defense	19,063	19,063
Administration	2.9	3.0

The financing of the national economy is also guaranteed by investments of the associations' and enterprises' own funds. In addition, bank credit is used for these purposes. As a result, the total amount of expenditures for the development of the economy will reach 429.2 billion rubles, which is 18.8 billion rubles more than in 1985. This considerable increase creates the necessary financial conditions for the further improvement of social production and the acceleration of its technical re-equipping.

The year 1986 is the first year of the implementation of the social plan in the 12th Five-Year Plan. The social measures which were stipulated in the plan and budget encompass all aspects of the life and labor of Soviet citizens. They include the further increase in the material support of the population; the more complete satisfaction of the needs for food products and manufactured commodities; the construction of housing; the expansion of social-cultural and everyday services; and the intensification of the protection of the environment. More than one-third of all the appropriations in the USSR State Budget are channeled directly into these purposes.

The budget allocates 3 billion rubles for the carrying out of further centralized measures to assure the rise of the national standard of living. It is planned to improve the payment of the labor performed by the workers employed in individual branches of the national economy; and to continue the measures for improving the pension support and medical services provided to workers, employees, and kolkhoz members, and to intensify the state assistance to families having children. It is planned to increase further the payment for the labor performed by workers in the general educational and vocational school system, and to carry out other measures. In addition, it is planned to pay off the next series of internal state loans that have been taken out by the public.

In 1986 our country will carry out a broad program of housing construction. More than 27 billion rubles are being channeled into this purpose from the budget and other sources. This guarantees, with the consideration of the transfer of some of the funds from production construction, the activation of apartment buildings with a total area of 114 million square meters and the improvement of the housing conditions for approximately 10 million persons. By the end of the current year the state housing fund will reach more than 44 million apartments, and their total area will surpass 2.2 billion square meters. At the session of the USSR Supreme Soviet it was emphasized that our country's existing housing fund is the tremendous property of our people. The attention of the Councils of Ministers of the union republics, the Soviets of People's Deputies, and the ministries and departments was directed at the questions of guaranteeing the intactness of housing. It is necessary to carry out preventive repair promptly on apartment buildings, and to strive to extend the service life of those buildings. The local Soviets and the ministries and departments have been allocated in the budget approximately 6 billion rubles of state subsidy for the maintenance and repair of housing.

Our country devotes constant attention to the taking of all steps to improve the sphere of trade and everyday services for the more complete satisfying of the growing needs of Soviet citizens. For 1986 it is planned to expand considerably the sale of the necessities of life and the providing of everyday

services. It is planned to achieve the further reinforcement and improvement of the material-technical base of the enterprises in the trade and personal-services sphere. From the budget and other sources, 7.4 billion rubles are being allocated for the development of trade. This is an increase of 7.2 percent as compared with last year.

Retail commodity turnover will increase by 11.6 billion rubles and will come to 342 billion rubles. There will be an increase in the shipments to the trade network of clothing and footwear, television receivers, washing machines, sewing machines, bicycles, furniture, wallpaper, building materials, and other commodities. A new procedure goes into effect this year for providing economic incentives for the labor performed by workers in trade, in order to increase their material self-interestedness in fulfilling the plan for commodity turnover. The profit at the trade organizations has been determined for the current year in the total amount of 10.6 billion rubles. There will be an increase of more than 18 percent in the expenditures for broadening the everyday services provided to the public. The total amount channeled into this is 1.3 billion rubles. The overall volume of sales of everyday services will reach 10.7 billion rubles and will increase by 6.7 percent, including an increase by 7.2 percent in rural localities.

The responsible assignment for the accelerated development of trade and everyday services require the USSR ministries and departments, the Councils of Ministers of the union republics, and the Soviets of People's Deputies to use the existing capabilities for the more complete satisfying of the needs of the public for commodities and all types of services. The financial agencies must intensify their monitoring of the economic-financial activity of the enterprises in the trade and personal-services sphere, and must regularly prepare and submit for review by the appropriate agencies of authority in the outlying areas recommendations that are aimed at assuring the equal fulfillment of the plans for retail commodity turnover and profit, the reduction of the level of circulation costs, and at the elimination of the existing shortcomings in the matter of the intactness of commodity resources.

At the session of the USSR Supreme Soviet it was noted that our country is a society with the constantly growing welfare of the nation, with a high level of education and culture, and a rich spiritual life.

In 1986 there will be considerable increases in the government's expenses for social and cultural measures. The amount allocated from the budget to finance these measures is 131.9 billion rubles, that is, during the current year alone the appropriations are increasing by 7.9 billion rubles, or by 6.4 percent. As a whole, they will come to approximately 32 percent of all the budget expenses. In addition, enterprises and organizations are channeling into social and cultural measures 35 billion rubles from their own funds.

The distribution of the budget expenses by individual types of these measures is shown by the following figures.

Billions of rubles

1985	1986

	approved	approved
National economy, science, and culture	49.2	52.2
Public health and physical culture	17.2	17.5
State social security and social insurance	57.6	62.2

In the current year there will be a consistent buildup of the rates of implementation of the principles and requirements of the reform of the general educational and vocational school system. It is planned to carry out a series of measures aimed at the further improvement of the material-technical base for the instruction of children and adolescents. Appropriations are being allocated for the supplying of schools with computers. It is planned to build new educational institutions and preschool institutions, as well as carrying out other measures in the field of public education. It is planned to carry out the further reinforcement of the higher school system, as well as the middle link for the training of cadres. The vocational and technical educational institutions will receive preferential development.

Special attention in the plan and budget has been devoted to measures for the further reinforcement of the material-technical base of public health. It is planned to carry out energetic work to provide hospitals with everything that they need for treating patients at the level of the modern achievements of medical science and technology. Budgetary appropriations in the amount of 17.5 billion rubles are being allocated for the development of public health and physical culture. These funds will make it possible to improve the quality of the medical services provided to Soviet citizens, to carry out on a broader scale the prevention of diseases, and to improve the rate to which the public is provided with medicines.

Concern for the human being, for his health, is inseparable from the protection of nature, the taking of a solicitous attitude toward the environment. That concern is linked with maintaining in our country the normal ecological situation under conditions of developing production, with preserving the vegetable and animal kingdom and the purity of the atmosphere and bodies of water, and with guaranteeing the reproduction of natural wealth. These questions were considered last year by the USSR Supreme Soviet at its July session. A decision was passed concerning the development of the Long-Term State Program for the Protection of the Environment and the Efficient Use of the Natural Resources of the USSR.

In 1986 the expenses for environmental-protection measures financed by all sources will increase, and will constitute more than 9 billion rubles. USSR ministries and departments, the Councils of Ministers of the union republics, and the Soviets of People's Deputies must use those funds with the maximum effectiveness, and must strive for the best results with regard to the protection of the environment and the careful use of natural resources.

The USSR State Budget stipulates considerable appropriations for the carrying out of cultural-educational measures, the organization of the public's recreational time, and the development of mass sport. These appropriations,

under the conditions of the struggle against drunkenness and alcoholism which has become widespread throughout our country, must be aimed in the outlying areas at improving the work of the palaces and houses of culture, club houses, and stadiums, and at the organizing of meaningful recreational activities for the workers, employees, kolkhoz members, and their families. It is necessary to promote in every way the accelerated development of the material base at those institutions, their complete intensification, and the increase in the effectiveness of the use of the existing potential.

The improvement of the work performed by the institutions in public education, culture, public health and social security, and sports structures, and the effective and complete use of the funds that are allocated, must be the object of constant concern by all the USSR ministries and departments, Councils of Ministers of the union republics, and local Soviets of People's Deputies. The financial agencies must promptly and continuously finance all the social and cultural measures that have been stipulated for 1986 and must constantly monitor the purposeful and correct expenditure of the resources channeled by the government into the sphere of social and cultural services.

In satisfying the workers' social needs an important role belongs to state property and personal insurance. It is carried out in the interests of reinforcing the material welfare of the public. In conformity with the planned assignments, by the end of 1986 no fewer than 185 million voluntary insurance contracts must be concluded with the citizens, with a total amount of 240 billion rubles.

At the session of the USSR Supreme Soviet it was emphasized that it is necessary to make more complete use of the existing reserves for the further expansion of insurance work and to reinforce the material-technical base of the state insurance agencies. The workers in state insurance must constantly improve the existing types of property and personal insurance and develop new, promising types which meet the demands of the cities, and must do everything to improve the providing of the public with all types of insurance.

The extended social program for the first year of the five-year plan rests upon a solid material base -- the steady rise in our country's economic potential on the basis of scientific-technical progress, and all the branches of the socialist national economy which are dynamically developing at high rates.

Industry has been and continues to be a leading branch in the economy. On its base it will be necessary within short periods of time to guarantee the qualitative renovation of social production as a whole. In 1986 the amount of money allocated from the budget and from other sources for the development of industry and the raising of its technical level is 247 billion rubles. Of that amount, 183.9 billion rubles are being channeled into heavy industry, which predetermines the expansion and fundamental improvement of the country's fixed production assets, the equipping of all branches of the national economy with the latest technology, and the acceleration of the rates of scientific-technical progress. Approximately 30 percent of the total expenditures in heavy industry are intended for the fuel and energy complex.

In conformity with the Comprehensive Program for the Development of the Production of Consumer Goods and the Services Sphere for 1986-2000, it is planned to achieve a further buildup in the production of high-grade consumer goods. The output of industry in Group B will increase at outstripping rates and will increase by 4.9 percent. For these purposes, 63.1 billion rubles are being allocated to the appropriate ministries and departments.

Recently much has been done in the national economy to develop the production of high-grade commodities. At the same time, as was mentioned in the materials of the November session of the USSR Supreme Soviet, many ministries, departments, associations, and enterprises have realistic capabilities for the essential increase of their contribution to the resolution of this important social problem. The USSR ministries and departments, Councils of Ministers of the union republics, and local Soviets must use them with the maximum completeness and breadth. Not a single association or enterprise, regardless of the department to which it is subordinate, must remain aloof from the organizing of the production of output for the public. The financial agencies are obliged to take all steps to intensify their work of locating capabilities and preparing specific recommendations for expanding the production of various kinds of consumer goods in a broad variety and with high quality, which are popular among the public. It is necessary to involve in the production of consumer goods all the reserve capacities of the associations and enterprises, the local sources of raw materials, production waste, and secondary resources.

The forthcoming period has been defined as a critical stage in the struggle for complete intensification and scientific-technical progress. The current-year assignments that are stipulated in this area contain a series of economic and organizational measures that are aimed at the acceleration of the technical re-equipping of all branches of the national economy on the basis of the widespread introduction of the latest achievements of science and technology.

A large amount of importance is attached to science, to increasing its real contribution to the acceleration of the rates of scientific-technical progress. In the light of the program premises of the June conference at CPSU Central Committee, the plan and budget stipulate measures for the further reinforcement of the material-technical base of scientific research. Twenty-nine billion rubles are being channeled into the development of science from the budget and other sources. This is 5.5 percent more than last year.

Measures have been planned to accelerate the development of the material base of scientific-technical progress -- machine-building. The total amount of state expenditures for the 11 machine-building ministries will come to 18.1 billion rubles, with the capital investments increasing by more than 30 percent. This assures an increase in the output of machine-building in 1986 by 6.6 percent, as compared with 4.3 percent for industry as a whole.

The course aimed at the rapid upsurge in machine-building as the basis of scientific-technical progress is organically linked with the broad extension of the work to saturate production with modern highly effective technology and advanced technological processes. In order to fulfill this work the ministries and departments will have at their disposal, in addition to the

budgetary appropriations, money from special funds in the amount of more than 5 billion rubles. Starting in 1986, a new procedure has been introduced for the purpose of providing economic incentives to the labor collectives for producing high-grade output and their material responsibility for delivering obsolete technology to the national economy. With a consideration of this, the ministries, departments, and agencies of USSR Gosstandart will have to take all steps to increase the monitoring of the production and introduction of new technology in order to assure that that technology is economical, has reliable indicators, and guarantees the highest labor productivity.

Last year the decision was made to improve the payment of the labor performed by scientific workers, designers, and technologists -- all those participants in social production whose work directly influences the acceleration of the technical renovation of the national economy. On the average, the payment for their labor will be increased after the completion of this measure by 15 percent.

In 1986, the acceleration of scientific-technical progress must guarantee a considerable part of the increase in the national income and the productivity of social labor. In industry alone, the planned rise in the technical level of production will make it possible to free 800,000 workers, or 22 percent more than in the previous year; labor productivity will increase by 4.1 percent and will guarantee approximately 95 percent of the increase in the production of output.

The fulfillment of the task of the intensification of production, the complete economizing of resources, and the improvement of the use of material, labor, and financial resources requires the strictest observance of economy measures both on the scale of the entire national economy and at all levels of management -- from the ministry to the production brigade, and to every work station. Reserves for reducing materials-intensity, for increasing labor productivity, and for the growth of monetary accumulations exist at every enterprise, and they must be immediately put into action.

Specific assignments have been established for 1986 for the economizing of the most important types of raw and other materials and fuel and energy resources. The materials-intensity of the social product will be reduced by 0.6 percent. Expenditures of metal per unit of national income must be reduced by 2.7 percent, as compared with the 1.9 percent last year. The energy-intensity of the national income will be 3 percent less. For the national economy as a whole this will provide a saving of material expenditures in the amount of 3.6 billion rubles. Special attention has been paid to the more complete use in the national economy of secondary material resources. This will make it possible to save approximately 13 billion rubles.

Measures to save resources are being implemented in the assignments for lowering the level of the costs of production and circulation. It is planned to lower the production costs of industrial output by 0.9 percent and thus to obtain approximately 60 percent of the increase in profit, or more than 5 billion rubles. On the whole, the profit of industrial enterprises has been determined in 1986 to be a total of 113.2 billion rubles, or 9.8 percent more than last year.

An important financial task that all the economic managers, financial agencies, and bank institutions will have to work on during the current year is the guaranteed acceleration of the turnover rate of working capital. At many enterprises at the present time large reserves of commodity and material assets in excess of norm have been accumulated. Actually this means that considerable resources are being taken out of national-economic circulation. The creation of excessive reserves of raw materials increases the tense situation in the material support of production. By way of an example one could mention the enterprises of Minkhimmash [Ministry of Chemical and Petroleum Machine-Building] and Minzhivmash [Ministry of Machine-Building for Animal Husbandry and Fodder Production], where the actual reserves of commodity and material assets have proven to be almost 45 percent in excess of the norm.

In the 1986 budget, provision is made for the assignment to accelerate the turnover rate of working assets in the amount of 2 billion rubles. Measures are also being prepared to involve in economic circulation the accumulated assets for the entire five-year period. The program for this year for intensifying the economy measures and accelerating the turnover rate of commodity and material assets is defined as the minimal one and must definitely be fulfilled. The USSR ministries and departments, the Councils of Ministers of the union republics, and the Soviets of People's Deputies have been given the task of achieving by 1986 a real shift in the economizing of all types of resources and in increasing the effectiveness of production.

Yet, a number of ministries have been slow to reorganize their work. The overcoming of the lag that has occurred in the operation of individual branches has been linked most directly with the serious reinforcement of the principles of cost accountability. Today those principles are being ignored not infrequently. At Minkhimprom [Ministry of the Chemical Industry], Mintyazhmash [Ministry of Heavy and Transport Machine-Building], and Minstankoprom [Ministry of the Machine Tool and Tool-Building Industry] this manifests itself, for example, in the fact that a considerable of the enterprises that are subordinate to the ministries annually spend their own working capital because of all kinds of financial and material losses. Obviously, the administrators of individual associations and enterprises sometimes forget the well-known statement by V. I. Lenin, to the effect that the enterprises are based on cost accountability precisely so that they can be responsible -- and, moreover, entirely responsible -- for any losses incurred in their work.

The question has been posed in such a way that cost accountability as the chief method of socialist management must be completely taken on as standard equipment by all subdivisions of social production and at all levels of management, including the highest link -- the ministries -- and the primary cell, the production brigades. At such time decisive importance is attached to the consistent implementation of the most important principles of cost accountability -- the organic combination of the providing of incentives for the best final results with responsibility for various shortcomings and omissions in the work. All the conditions have been created for this. Suffice it to state that in the current year the associations and enterprises

will have economic incentive funds in the total amount of 39.5 billion rubles, or an increase of 12.2 percent.

The measures stipulated in the 1986 plan and budget for economy and thrift are inseparably linked with the intensification of the struggle against losses, mismanagement and waste, and thefts of socialist property. Accounting and control must be an insurmountable barrier on the path of these undesirable phenomena. Recently a number of important measures were carried out to improve accounting and control. For the most part, the centralization of accounting in our country has been completed. There has been a substantial rise in the level of mechanization and automation of accounting and computational operations and a significant reduction and simplification of accounting and statistical reports. However, all this is only the beginning of the job.

Our national economy has at its disposal a large network of accounting and control services. At the same time the effectiveness of their work is still insufficient. At many enterprises, accounting and reporting are poorly organized. Not infrequently, the departmental control services are still operating without the proper results. In addition both USSR Ministry of Finance and the financial agencies, on their part, have not yet taken all the necessary steps to improve the state of affairs with accounting and control in the branch ministries, departments, associations, enterprises, organizations, and institutions. Sometimes they are insufficiently demanding. The improvement and increase in the effectiveness of accounting and control is a nationwide task in the national economy, and the financial agencies must apply all their efforts to assure the closing of all channels through which losses and excesses occur, and to guarantee the protection of socialist property. The financial workers are obliged to promote in every way the intensification of methods of economy and thrift in the national economy.

In the current year it is planned to intensify further the work in our country of carrying out the Food Program. The CPSU Central Committee and USSR Council of Ministers adopted a decision concerning the further improvement of the administration of the agroindustrial complex, the elimination of departmental fractionalism, and the intensification of the integration among all links of agroindustrial production. These measures are aimed at improving the administration of agriculture and the other branches of the agroindustrial complex and at the broad introduction of intensive methods of management for purposes of accelerating the growth rates in food production. In conformity with the decision that was enacted, it is planned to carry out measures to change over to the planning, financing, and administration of the agroindustrial complex as a single whole at all levels.

In 1986, 149 billion rubles are being allocated for the social and economic development of the agroindustrial complex from all sources of financing, that is, almost 10 billion rubles, or 7.1 percent more, than in the previous year. These resources are intended for the further increase in the material-technical supplying of production, the carrying out of interrelated measures that guarantee the more complete intactness and prompt processing of the products of agriculture, and the improvement of the quality of food products.

In agriculture the center of gravity is being transferred to the practical resolution of the questions of the intensification of the branch and the concentration of the material and financial resources in the development of intensive technological schemes in animal and vegetable husbandry. Projects involving the further social reorganization will be carried out on a broad front in rural localities. In order to carry out these tasks, the agricultural enterprises have been allocated, from all sources of financing, 109.5 billion rubles. It is planned to achieve a further increase in the shipments of material-technical means to agriculture. Their volume will reach 32.2 billion rubles.

In order to intensify agricultural production, a factor of great importance is the more complete use of the reserves and capabilities of land reclamation. The carrying out of land-reclamation operations will have an allocation of 12.2 billion rubles; this will make it possible to expand the fund of reclaimed land by more than 1.3 million hectares and flooded pastures by 2.7 million hectares. The task that has been posed is to accelerate in 1986 the rates of the economic and social transformation of the Nonchernozem Zone of the RSFSR and to increase the contribution made by that vast region to the fulfillment of the Food Program. In order to resolve this task, 9.5 billion rubles are being channeled into the development of the Nonchernozem Zone.

Thanks to the consistent carrying out of measures to reinforce the rural economy, at the present time there exists a comprehensive system for providing economic incentives for kolkhozes and sovkhozes. Their profit in 1986 will be approximately 24 billion rubles. Almost all that profit will be kept for their own needs -- for the expansion of production and the formation of economic incentive funds. Kolkhozes with an insufficient level of profitability have been allocated for social and economic measures budgetary appropriations in the amount of 3.3 billion rubles. In addition, as in the previous years, for the agroindustrial complex as a whole, provision is made for a state subsidy for the production of a number of basic types of food products, and shipments of agricultural technology and mineral fertilizers.

USSR Gosagropom and its agencies in the outlying areas will have to take all steps to build up the efforts to increase the effectiveness of the use of the created potential, and will have to strive for the outstripping growth in the volumes of agricultural output and food products as compared with the expenditures for their production.

The financial agencies and bank institutions must organize their work in such a way as to assure that during, the period of the changeover to the new procedure of financing the agroindustrial complex as a single whole, at all levels the issuance of monetary means to enterprises and organizations of agroindustrial production for the carrying out of planned measures is carried out without a single instance of delay. It is necessary to render to the enterprises and organizations in the agroindustrial complex daily assistance in improving the situation with regard to economic and financial work, accounting, and reporting, and to carry out regular monitoring of the effective and economical use of the state funds being channeled into the implementation of the assignments of the Food Program.

In 1986 there will be considerable increases in the rates of capital construction. The overall volume of investments will reach 185.9 billion rubles, of which state capital investments will constitute 164 billion rubles, and will increase by 8.2 percent.

At the conference at the CPSU Central Committee on questions of accelerating scientific-technical progress, the most important directions in investment policy were defined. They are aimed at the fundamental improvement of the state of affairs in capital construction and form the basis of the construction program for the forthcoming year.

In the 1986 plan and budget, priority is given to the technical re-equipping and remodeling of the existing enterprises as being an economic direction for the investments of state funds. These operations have been determined at 37.4 billion rubles, with an increase of 23 percent as compared with last year.

A fundamentally important direction for capital investments has been determined to be the intensification of their concentration in the most important projects in the national economy, including those slated for activation in the next report period; and the achievement of a strictly balanced situation for all types of resources being channeled into construction production.

At the session of the USSR Supreme Soviet, attention was paid to the practice that is still encountered in a few places -- the practice of the dispersal of capital investments, which is seriously hampering the intensification of construction production. For this reason a number of ministries had a considerable overage as compared with the norms for the volumes of incomplete construction and reserves of uninstalled equipment. At the same time, the assignments for the activation of new production capacities are regularly underfulfilled. This situation has developed, for example, at USSR Mintsvetmet [Ministry of Nonferrous Metallurgy], Minnefteprom [Ministry of the Petroleum Industry], Mintyazmash [Ministry of Heavy and Transport Machine-Building], and Minelektrotekhprom [Ministry of the Electrical Engineering Industry].

The assignment for 1986 has been to limit substantially the number of construction projects that are being newly begun. Simultaneously it is planned to activation uninstalled equipment valued at 2.7 billion rubles from the above-norm reserves of that equipment that has previously been accumulated at construction projects.

Recently a number of important steps have been taken to deal with fundamental problems in construction production. They are aimed at the improvement of planning, organization, and administration of capital construction, and at the improvement of construction-design and estimate work, and the system for paying the wages and incentives for construction workers. Work is being carried out to render material and financial assistance to the branch. In 1986, 29.4 billion rubles are being allocated from all sources for the development of the construction industry. The necessary conditions for normal cost-accountability activity are being created for contract organizations.

The profitability of construction production, on the average, will be 13 percent.

USSR ministries and departments, and the Councils of Ministers of the union republics under these conditions have at their disposal everything needed to assure in a realistic manner and within short periods of time the major improvement of the final results of construction production and to achieve, by the current year, a fundamental shift in the matter of improving the indicators for the activation of capacities and projects that are slated for activation in the next report period, in reducing the cost of construction and increasing its profitability, and in economizing all types of resources at the construction projects.

On the part of the institutions of USSR Stroybank, USSR Gosbank, and the financial agencies, there must be an intensification of the monitoring of the increase in effectiveness of capital investments. It is necessary to take decisive steps to exert an effect upon the customers and contractors who are responsible for the dispersal of funds and for other violations of planned-estimate discipline.

In our country a large amount of work is being carried out to reorganize the administration of the national economy. Proceeding from the instructions of the CPSU Central Committee and USSR Council of Ministers, and at the present time the fundamental improvement of economic administration is under way at all levels. In this process, complete consideration is taken of the positive experience that was accumulated in 1984-1985 in the course of carrying out the economic experiments in industry and other branches. Beginning in 1986 the new work conditions will prevail for the ministries and departments whose share is more than one-half the industrial production, a considerable number of enterprises in transport, and all the enterprises in communication and the personal-services sphere. These measures will make possible to more complete use of the reserves for building up production and achieving high final results.

It will be necessary to raise planning to a new and higher level, and to increase sharply the effectiveness of all the economic levers and incentives, including the financial and credit ones. Better conditions for production-economic activity will be created for associations and enterprises, and there will be an increase in their responsibility for the formation of the funds necessary for their production and social development.

Within the confines of the reorganization of the economic mechanism, steps are being taken to improve the organizational structure of administration. Agencies are being created for the management of large-scale branch complexes, and the general schemes for the administration of the branches of industry are being refined. There has been an intensification of the providing of economic incentives for the fulfillment of administrative functions in production with a lesser number of workers in the administrative apparatus. All this work is

aimed at creating the best conditions for accelerating the rates of scientific-technical progress.

In 1986 the carrying out of these measures to improve administration will make it possible to obtain a saving in expenses in the amount of 1.1 billion rubles, which saving has been taken into consideration in the budget and which is being channeled into the financing of the national economy.

The USSR ministries and departments and the Councils of Ministers of the union republics must carry out all the necessary measures to improve the administrative apparatus and to achieve a real reduction in its operating costs. In administrative expenses it is especially necessary to implement economy measures rigorously. The financial agencies are required to establish effective monitoring of the prompt and complete carrying out, in the national economy, of all the measures stipulated for 1986 for improving the organizational structure of the administrative apparatus and for reducing the expenses for its maintenance.

The USSR State Budget for the first year of the five-year plan has been approved by USSR Supreme Soviet and has become the Law. As was emphasized in the decision of the Politburo of CPSU Central Committee, when the plan and budget for 1986 are being considered, the chief attention of the party, Soviet, and economic agencies and the labor collectives must be concentrated on the organization of the precise fulfillment of the planned assignments.

The board of governors of USSR Ministry of Finance has accepted the extended plan for the Basic Questions in Economic and Control Work for 1986. The assignments in that plan have been made subdivided down to the level of all the administrations and departments in that ministry and the ministries of finance in the union republics. For the entire financial system, there has been a summing up of the results of the work in the past year, shortcomings and omissions have been identified, and specific and time-responsive measures to eliminate them have been set down.

In 1986 the financial agencies will face large and critically important tasks. From the very beginning of the year it is necessary to guarantee the precise organization of the work to assure the prompt receipt into the budget of the state income that has been stipulated by the plan, and to create in the national economy the necessary financial conditions for implementing all the state assignments that have been planned for this year for accelerating our country's social and economic development on the basis of scientific-technical progress. It is necessary to take decisive steps to reorganize the style and methods of our work, to improve the measures for exerting a financial influence upon the intensification of social production, the reinforcement of cost accountability and control, and the strict implementation of economy measures in the use of material, labor, and financial resources.

There is no doubt that the workers in the financial agencies will do everything to mark the 27th Congress of our beloved Leninist party by selfless shock labor, by the successful fulfillment and overfulfillment of the USSR State Budget and the socialist pledges that have been taken for 1986.

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